

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, SEPTEMBER 20, 1928

Chartered August 1928

Empire State Insurance Company, of Watertown, N.Y.

a company organized under the
laws of New York State, and
affiliated with the

Agricultural Insurance Company, of Watertown, N.Y.

THE "Empire State" has been formed to assist in supplying general types of property insurance throughout the country. It offers the same quality of service—the same good will and friendly cooperation—that agents have always received from the Agricultural.

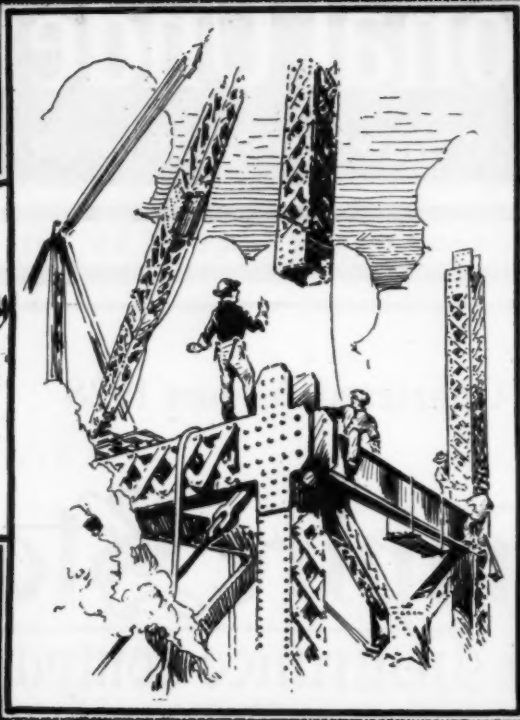
It will be guided by the experience of the older company so that it can immediately base its operations on the training of three-quarters of a century.

All of the good things in the Agricultural will be found in the "Empire State"—rapid service, no unnecessary correspondence, a broad attitude that embraces a real understanding of the agents' problems.

Well do we know that hundreds of friendly agents have contributed greatly to the steady growth of the Agricultural. It is our sincere hope that the "Empire State" will receive this same welcome support.

INSURANCE AN ARTISAN

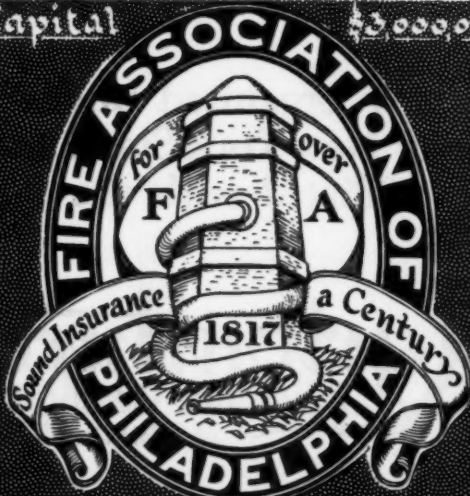
Insurance is a mighty
Artisan, which with
Steady Perseverance



builds, repairs and sup-
ports the Structure of
Economic Stability.

Capital \$3,000,000.

Home Office
4th & Walnut St.
Philadelphia
Penna.



Dept Offices
Atlanta
Chicago
Dallas
San Francisco

AFFILIATED COMPANIES

The Reliance

Insurance Company

Capital \$1,000,000.

J.W. Cochran
President.

Victory

Insurance Company

Capital \$1,000,000.

Constitution Indemnity Company
Capital \$1,000,000.

ALMOST EVERY KIND **INSURANCE** EXCEPTING LIFE

CORROON & REYNOLDS, Inc.

MANAGER

92 WILLIAM STREET

NEW YORK CITY, N. Y.

AMERICAN EQUITABLE ASSURANCE CO., OF NEW YORK

March 31, 1928, Statement

After giving effect to additional funds paid into Treasury since that date

ASSETS	LIABILITIES	CAPITAL	SURPLUS TO POLICYHOLDERS
\$7,883,553.34	\$3,345,809.41	\$2,000,000.00	\$4,537,743.93

BRONX FIRE INSURANCE COMPANY OF THE CITY OF NEW YORK

July 7, 1928 Statement

\$4,278,800.00	\$1,778,800.00	\$1,000,000.00	\$2,500,000.00
----------------	----------------	----------------	----------------

BROOKLYN FIRE INSURANCE CO.

March 31, 1928, Statement

After giving effect to additional funds paid into Treasury since that date

\$4,762,920.03	\$2,262,920.03	\$1,000,000.00	\$2,500,000.00
----------------	----------------	----------------	----------------

KNICKERBOCKER INSURANCE CO., OF NEW YORK

December 31, 1927, Statement

\$3,708,426.08	\$1,695,350.83	\$1,000,000.00	\$2,013,075.25
----------------	----------------	----------------	----------------

MERCHANTS AND MANUFACTURERS FIRE INSURANCE CO.

OF NEWARK, N. J.

(CHARTERED 1849)

March 31, 1928, Statement

After giving effect to additional funds paid into Treasury since that date

\$4,726,524.78	\$2,226,524.78	\$1,000,000.00	\$2,500,000.00
----------------	----------------	----------------	----------------

NEW YORK FIRE INSURANCE CO.

(INCORPORATED 1832)

March 31, 1928, Statement

\$2,188,244.11	\$429,267.16	\$1,000,000.00	\$1,758,976.95
----------------	--------------	----------------	----------------

REPUBLIC FIRE INSURANCE COMPANY

PITTSBURGH, PA.

(INCORPORATED 1871)

March 31, 1928, Statement

After giving effect to additional funds paid into Treasury since that date

\$2,489,293.27	\$963,897.61	\$610,000.00	\$1,525,395.66
----------------	--------------	--------------	----------------

SYLVANIA INSURANCE COMPANY OF PHILADELPHIA, PA.

March 31, 1928, Statement

After giving effect to additional funds paid into Treasury since that date

\$4,788,572.60	\$1,788,572.60	\$1,500,000.00	\$3,000,000.70
----------------	----------------	----------------	----------------

CLASSES WRITTEN

Fire, Automobile, Explosion, Riot, Civil Commotion, Tornado and Windstorm, Sprinkler Leakage, Use and Occupancy, Profits, Leasehold and General Merchandise Floaters

SOUND — PROGRESSIVE — EQUITABLE

These Are Our Keynotes

We welcome and invite this class of agency representation.

WHAT'S THAT?

Insurance against competition!

WOULDNT it be pretty soft if you, as an insurance broker, could buy, on a sound economic basis, insurance against competition in your own business? Well, you can't buy it, but you *can get it*. Here's how:

Give better service, and give it *first!* Get your large line clients better rates by making them better risks,—having them install Grinnell Sprinklers!

Doesn't that mean smaller commissions? Certainly not if you capitalize the service you render. This is the way it has worked out in numerous cases:

MUTUAL BENEFIT

By interesting the client in sprinklers, the agent gets him far better protection at a greatly reduced rate,—usually so much lower that the savings of four or five years wipe out a large part of the cost of the installation. The saving pleases the client so much that he usually asks the agent to write him other lines of insurance which seemed out of the question when fire insurance cost him so much. In



DON'T SHARE THE GUILT!

addition, the client tells business associates about the remarkable service his agent has rendered and they in turn get this live agent to write their insurance.

Of course the net result is to boost the local agent's income as well as to make him an enviable reputation.


EXPERIENCED AID

Grinnell, the oldest and largest maker of sprinkler systems, stands ready to give you hearty cooperation in preparing sprinkler estimates and handling the complete installation with minimum inconvenience to the client. Frequently we even finance the project out of savings in premiums with little or no capital expenditure by the client.

It will pay you to place sprinkler proposals in the hands of your large line clients before some other wide-awake agent gets their business by rendering a similar service. May we help you? Our long experience in this field will prove a big asset.

2

58 No. 3088829



Grinnell Company
BRIDGEPORT CONN.

Feb. 10th, 1930

No. 117 East 48th Street

\$ 10000

\$ 30.60

John H. Smith

This policy costs nothing but pays handsomely

—We refer, of course, to the policy of getting lower rates for clients by making their properties better risks.

And no other change you can recommend reduces the rate so much as the installation of automatic sprinklers. Grinnell gladly helps you prepare sprinkler estimates and proposals.

GRINNELL COMPANY

Executive Offices: Providence, R. I.

Branches in all principal cities

Grinnell Co., Inc., 251 W. Exchange St., Providence, R. I.

Please send, free, "The Local Agent and Automatic Sprinklers"—also Roger W. Babson's letter that analyzes the advantages of the Grinnell Sprinkler Finance Plan.

Name

Firm

Address

The National Underwriter

Thirty-Second Year No. 38

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 20, 1928

\$4.00 Per Year, 20 Cents a Copy

WESTERN UNION HOLDS ITS ANNUAL MEETING

Solution of Chicago Problem
Holds Center of Stage at
Manchester

CONTEST ON THAT ISSUE

President John M. Thomas in Annual
Address Warns That Prosperity
May Not Continue

NEW UNION OFFICERS

President—W. B. Flickinger, Manager
Philadelphia Fire & Marine.

Vice-President—J. R. Wilbur, Vice-
President Continental.

Secretary (Acting)—Fred B. Luce,
Manager Providence-Washington.

By GEORGE A. WATSON

MANCHESTER, VT., Sept. 19.—As was true of the annual meeting of the Union held here twelve months ago, the Chicago situation supplies the outstanding subject for consideration at the present gathering of the organization, such other matters as have been presented thus far or are likely to come up prior to adjournment tomorrow being of a very secondary nature.

The address of President J. M. Thomas, which proved to be an admirable review of general underwriting conditions throughout the Union jurisdiction during the past six months, was prefaced with a fine tribute to the worth and work of the late E. B. Hatch, for over 22 years the valued secretary of the organization, and was immediately followed by the presentation of a memorial characterizing Mr. Hatch as a "worthy diplomat, loyal friend and faithful servant" who "served each and thus served all." Concluding with the following quotation from the gospel of St. Matthew, "His Lord said unto him, well done thou good and faithful servant, thou hast been faithful over a few things, I will make thee ruler over many things; enter thou into the joy of thy Lord." The memorial was adopted by a rising vote.

President Thomas in the course of his well received address cautioned Union members against accepting the temporary prosperity of the business as conclusive evidence that it will continue, pointing out the large amount of new capital that had entered the fire underwriting field within a recent period and the strong probability that still further companies will be launched. The late comers for the most part owe no allegiance to the governing bodies operating rather individually, and thereby adding greatly to the complexities of the business. He paid tribute to the agency force, and urged a policy of continued cooperation between local representatives and the companies in dealing with problems of common concern, not alone for their mutual advantage but for that of the insuring public as well.

COMPANIES COMPLAINING OF HAIL EXPERIENCE

RATE INCREASE IS NO HELP

Reductions of Commissions in Certain
Sections Result in Producers Con-
centrating on Others

NEW YORK, Sept. 19.—Fire company officials are complaining bitterly of the experience under their hail business in the west, the losses in Kansas and Oklahoma being notably severe this year. There is the usual talk of some offices discontinuing the line, and it may be that such action will be taken though this is by no means certain, the average official being loath to surrender any division of business after fairly embarking on it. There is the constant hope that "things are brighter just a little way beyond."

At the beginning of the season it was felt that with the rate advance inaugurated in certain sections where such procedure was shown to be absolutely essential, and with the marked reforms in adjusting practice, the companies had a fair chance of making some money this year, or at least of breaking even. The hope has proven vain, however, and the speculation in many offices is as to what the net loss will prove to be when accounts for 1928 business are finally made up.

In an effort to secure an average risk distribution some of the offices reduced the commission rate to their local agents in certain fields to 15 percent, thereby discouraging solicitation by the local men of an undue amount of business. The result, however, was hardly what was anticipated, the agents practically neglecting the low commission territories and centering their efforts in the fields still paying them 20 percent. This "off balance" liability spread the companies are now endeavoring to correct. The one redeeming feature of the hail business, considered by and large, and not as to individual companies, is the comparatively low cost of securing it, general agents' commissions ranging from 27 to 30 percent, from which all field salaries and adjustment expenses must be paid. The only added cost to the companies is for taxes. While the economic status of the agriculturist of the west today is far better than it has been for several years, that condition certainly has not been reflected in the general experience of the hail-writing insurance companies.

The Chicago situation was reviewed in masterly way by C. R. Tuttle and J. R. Wilbur, speaking for the conference committee responsible for the latest plan offered for dealing with "commission and brokerages and related subjects in Cook County." As a preliminary to the detailed plan, copies of which were handed each of the Union members, Mr. Tuttle went into the history of the Chicago Board since its formation in 1849 to the present time, noting especially the board forms embraced in its article of incorporation, and then stressed with the great development of business within its territory. The diffi-

(CONTINUED ON PAGE 54)

PUBLIC FIRE IS ONE OF CONVENTION ISSUES

GIVEN EXECUTIVE ATTENTION

Recently Organized Company's Pro-
posed Plan of Operation in South-
east Is Discussed by Committee

WEST BADEN, IND., Sept. 19.—One of the main questions coming before the executive committee of the National Association of Insurance Agents' meeting here was the issue with the Public Fire of Newark as to its so-called brokerage salaried office as distinguished from a regular branch office.

The controversy drew forth some interesting correspondence between President W. E. Harrington of the National Association and Secretary Ulric Atkinson of the Public Fire. The executive committee drew up a statement which was approved and which was submitted to the meeting of the state officers Tuesday and ratified by them. The statement is as follows:

"The executive committee approves the position taken by the president in his recent correspondence with the Public Fire of Newark, dealing with its proposed plan of operating through branch or brokerage offices in South-eastern Underwriters Association territory and reaffirms the position previously taken by the National association, namely: 1—That the integrity of all clear agencies should be maintained inviolate; 2—that it is a bad practice for companies to pay, or for agents to accept, differential commissions in the same agency."

Commitments Avoided

The executive committee further states: "That until reciprocal arrangements can be made between organized agents and organized companies with reference to company-agency representation, we believe the National association should not be committed to the support of or opposition to any fire insurance company because it does or does not belong to any company organization; recognizing, however, that our support is enthusiastically pledged to those companies operating in accord with our principles."

"That we appreciate the expressed desire of the Public Fire to operate in accord with principles enunciated by our association and welcome the suggestion of further conference looking toward the protection of the interest of the policy-writing agent and the economic stability of the business."

LOCAL AGENTS NUMBER

Full reports of the proceedings of the annual convention of National Association of Insurance Agents, held this week, will be found in the special edition issued by THE NATIONAL UNDERWRITER in connection with the meeting and sent to all regular subscribers.

WEST BADEN SPRINGS ALIVE WITH AGENTS

National Association Is Holding
Its Annual Convention
This Week

HARRINGTON PRESIDING

Big Attendance at the Meeting—Not-
ables Are Present to Address
the Gathering

By C. M. CARTWRIGHT

WEST BADEN SPRINGS, Ind., Sept. 19.—Tuesday has become a big day at the meeting of the National Association of Insurance Agents. It started when the executive committee desired to meet with the state officers and other prominent members. This meeting now begins in the morning and continues through luncheon until late in the afternoon. Tuesday assumed a more prominent part this year because of the annual meeting of the Indiana Association of Insurance Agents was held here. A large number of agents registered Sunday and a still larger number Monday. The official registration started on Monday. The Indiana Association of Insurance Agents has a welcoming committee who are looking after the entertainment features and the various mechanics of the convention. The National executive committee met all day Monday and convened following the state officers meeting yesterday. The get-together dinner is always a glorious affair bringing out a large attendance. The dinner was held in the famous atrium and as there were no other attractions the entire assemblage gathered together at this dinner.

Harrington in the Chair

The convention proper started this morning. W. Eugene Harrington of Atlanta, the president, was in the chair and gave his annual address. R. P. DeVan of Charleston, W. Va., chairman of the executive committee, in his report sounded the convention theme which is "Business Development". These two men this year practically gave a review of their administration and included in their report the work of a number of committees. They really gave an account of their stewardship and covered the ground thoroughly. Mr. Harrington makes a most pleasing presiding officer. He is alert, keen, able and sympathetic. Mr. DeVan is very popular, a man of wide experience, thoroughly in harmony with the association program and has a splendid vision. He undoubtedly will succeed to the presidency at this meeting.

There were three set addresses beside the two officers this morning, they being by Charles C. Younggreen of Milwaukee, who is president of the International Advertising Association; Edward A. St. John, president of the National Surety and president of the Interna-

(CONTINUED ON PAGE 54)

MORE ACTIVITIES OF "WILDCATS" EXPOSED

PROSECUTIONS IN KENTUCKY

Efforts Made in Several Other States to Hold Down Operations of Unlicensed Concerns

Developments continue to come from many directions regarding the operations of the "wildcat" insurance companies that are being taken \$2,000,000 in premiums from the American people. The Kentucky insurance department has been continuing its prosecution of unlicensed solicitors. On Sept. 15, Commissioner S. M. Saufley directed Deputy Charles McDonald to appear before the grand jury at Hazard, Ky., where he presented evidence against Arch Morris, arrested in July and charged with violation of state laws. Morris is charged with securing policies for the Kryton Milling Company of Perry county. Morris was acting for the Keystone agency of New Jersey.

Indictments Are Expected

Evidence was also presented to the grand jury against unlicensed solicitors operating in Perry and Letcher counties. It is expected that the indictment will be issued before the end of the week against the parties mentioned in the testimony. Commissioner Saufley has issued instructions to his department to continue the strenuous efforts being made to prevent all sales of unauthorized insurance in the state.

The Oklahoma department is doing everything possible in the matter of protecting citizens of that state from being victimized by unscrupulous persons purporting to act as agents of insurance companies and has invited the aid of local officials in protecting their constituents.

Four Sued in New York

Sidney J. Feltenstein, a lawyer of New York, has brought suit against four of the "wildcat" companies that failed to pay a loss. He has difficulty in establishing a connection so as to bring them into court, but he has his proofs in good shape and they will be available for either the criminal or civil authorities. The companies were represented by the Keystone agency and W. R. Atkinson corporation (formerly William George & Co.) of Philadelphia.

Minnesota Agent in Difficulties

An agent in Minnesota is in a very embarrassing and costly situation. He had just started in business when he agreed to represent the Schurmier Insurance Agency, Pioneer building, St. Paul, Minn. He issued a number of policies and paid the premiums to Schurmier, expecting to get policies in the legitimate companies represented by the Schurmier agency. In several cases he received "wildcat" policies and in one of these cases a total loss occurred. Under the Minnesota law the agent is responsible to the assured and, therefore, this agent is liable for \$1,500, which he has not yet been able to pay, although the loss occurred several months ago. He would be glad to pay the \$1,500 and restore his standing in his home town but has not yet been able to spare the amount from his income.

Business Handled Through Mails

The Schurmier agency used the mails in handling the business and the evidence in this case is also in good shape. A feature of the case is that after the loss occurred notice of cancellation for nonpayment of premium was sent out by the "United States Correspondent." Thus, although Schurmier was paid by the agent who had been victimized, the company claims not to have received the premium.

INDIANA AGENTS HOLD ANNUAL CONVENTION

W. H. BRUNER IN CHARGE

Declared That Local Boards Form the Backbone of the American Agency System

NEW OFFICERS ELECTED
President—Atwood Jenkins, Richmond.
Vice-President—Chris Zoercher, Tell City.
Chairman Executive Committee—Herbert L. Barr, Indianapolis.
Secretary—J. A. Searles, Marion.

WEST BADEN SPRINGS, Ind., Sept. 19.—The annual meeting of the Indiana Association of Insurance Agents was held yesterday with W. H. Bruner, president, in charge. In his address he stated that local boards have been organized in Greene county, Terre Haute, Goshen and Evansville. The regional district plan of organization, he believes, if successful as a policy or campaign can then be executed all over the state. He said that the future of the agency system depends upon sound local boards. He believes that an agency qualification bill should be sponsored at the next session of the legislature. In speaking of a full time secretary he said the financing of such an official is a serious problem. He recommended the part-time secretary and a permanent centralized office.

The advisory council, he said, could be made more effective if the officers

(CONTINUED ON PAGE 52)

COMMISSIONERS' MEETING RESERVATIONS HEAVY

SPECIAL TRAIN IS CHARTERED

Commissioner Wysong of Indiana Says 110 Already Are Booked on Convention Carrier

WEST BADEN, IND., Sept. 19.—Commissioner C. C. Wysong of Indiana, who is attending the meeting of the National Association of Insurance Agents here and who spoke at the get-together dinner Tuesday evening, states that as chairman of the transportation committee of the National Convention of Insurance Commissioners he has made 110 reservations on the Chicago & Northwestern road for the commissioners' special train that will leave Chicago next Saturday night for Rapid City, S. D., where the commissioners will hold their annual gathering.

Many Sections Represented

Almost all the southern, southwestern and eastern states will be officially represented. President A. S. Caldwell of Tennessee, who is head of the Commissioners' Convention, will join the delegation at Chicago.

The Association of Superintendents of the Canadian provinces is meeting this week at Regina, Sask. Some of the superintendents and Canadian insurance men will join the insurance commissioners' special train at Mankato, Minn., having secured a car for their accommodation.

MILLIONS IN DAMAGE FROM FLORIDA STORM

HIGH INSURANCE LOSS SEEN

With Wire Facilities Paralyzed Definite Information Is Difficult to Obtain as Yet

By HERVEY W. LAIRD

LAKELAND, FLA., Sept. 19.—It looks now as if the insurance losses of the Sunday night storm will run high, if there has been a general resumption of this type of coverage since the hurricane of 1926.

While Tampa had no heavy damage in stores and residences, some of the other towns of west Florida suffered. Lakeland had perhaps \$50,000 damage to stores and residences, and Lake Wales had somewhat the same kind of injury.

Reports from the east coast indicate that the property damage there will be more than a million, most of it of the kind that might be covered by insurance.

Big Loss to Fruit Crops

The grape fruit damage is expected to reach 5,000,000 boxes, cutting a prospective 18,000,000 box crop accordingly. Oranges are not badly hurt. The economic loss is expected to be offset by the increase in price of grapefruit that is anticipated.

The wind was heavy in the Everglades section, 24 being reported dead in the Okeechobee section as result of houses being blown down. Col. Sumter Lowry, Jr., of Tampa, son of one of the oldest insurance men in the state, is in charge of the relief work in Okeechobee, which is where there was such loss of life in 1926.

A report from West Palm Beach says that the town is worse hit than Miami was in 1926, but this can not be confirmed, as there are no wires.

ESTIMATE \$16,000,000 LOSS

MIAMI, FLA., Sept. 19.—It is too early to estimate fully storm losses in the hurricane which swept Florida Sunday and Monday. Miami and vicinity sustained minor damages to roofs and plate glass and through water. Wind velocity reached 120 miles in Palm Beach and Broward counties, causing heavy damage. Hunter Lyons, a conservative insurance adjuster from Miami who today returned from Palm Beach, places an estimate on damage about \$16,000,000, with probably \$8,000,000 insurance coverage. The storm was widespread and covered considerable area, so losses are spread over wide territory. West Palm Beach, Palm Beach, Del Ray, Pompano, Deerfield, Lakewood and Fort Lauderdale were badly hit. The region around Lake Okeechobee was seriously damaged.

The city of West Palm Beach is virtually a wreck. Hardly a building escaped injury. The business district looks as if it had been shelled by enemy guns. Residential sections of the city are but little better off.

Palm Beach proper also was hit hard. Many buildings were completely down and a part of Royal Palm avenue was under water.

Deerfield and Boynton were devastated. Lake Worth was severely hit. Del Ray, Lantana, Kelsey City and Jupiter, all small towns, also felt the fury of the elements.

N. Y. Indemnity Appointments

Late field appointments announced by the New York Indemnity include those of Lethbridge & Barker, East Orange, N. J., as general agent for both casualty and surety business; Maurice Bernstein, general agent at Cleveland, for the surety lines, and the Robert Williams Co., Long Beach, Cal., as general agent for both casualty and surety.

CONDENSED NEWS OF THE WEEK

Companies writing hail insurance complain of the loss experience they have had so far this year. **Page 1**

National Association of Insurance Agents is holding its annual meeting at West Baden Springs, Ind. **Page 1**

Western Union holds its annual meeting at Manchester, N. H. **Page 1**

Indiana Association of Insurance Agents holds its annual meeting at West Baden Springs. **Page 2**

Texas farm agents of the Liverpool & London & Globe will hereafter report to the farm department at Chicago. **Page 3**

Missouri agents meet at St. Louis. **Page 3**

Rockford, Ill., and other points are hit by disastrous tornado. **Page 3**

Some of the main features brought out at the meeting of the Association of Superintendents of Insurance of the Provinces of Canada at the Regina meeting. **Page 6**

W. Eugene Harrington presents report as president of National Association of Insurance Agents. **Page 8**

Illinois Fire Marshal Legreid addresses convention of Illinois Firemen's Association at La Salle. **Page 11**

John M. Thomas, president of the Western Union, outlines general conditions in his annual address. **Page 11**

C. R. Street, vice-president of the Great American, in a recent address called attention to the needs of agents and companies restoring old time relations. **Page 3**

President Coolidge issues his annual fire prevention week proclamation. **Page 11**

J. A. Giberson talks to Missouri agents. **Page 5**

Withdrawal of the Firemen's of Newark group from membership of the Eastern Underwriters Association complicates the effort to bring about a commission agreement in Pittsburgh. **Page 5**

E. A. St. John, president National Surety, urges local agents to concentrate more of their effort on the casualty and surety lines. **Page 41**

United States Chamber of Commerce announces plans for fire prevention week. **Page 8**

Conferences on aviation insurance held in Los Angeles. **Page 6**

President Kirkpatrick of the Fidelity of Canada hits free insurance practice. **Page 8**

Insurance men interested in the revocation of the license of the Firemen's in South Carolina. **Page 6**

The Association of Superintendents of Insurance of the provinces of Canada is meeting in Regina this week. **Page 6**

Insurance Commissioner Baker of Kansas gave a talk on the Kansas rating law before the Canadian insurance superintendents. **Page 12**

Hanover votes to increase its capital stock to \$3,000,000. **Page 15**

Cleveland Automobile Club votes down proposition of Ohio State Automobile Association to have an insurance adjunct. **Page 26**

Tulsa (Okla.) Fire & Casualty Insurance Association outlaws underwriters agencies. **Page 35**

United States Treasury Department issues its semi-annual statement showing surety companies authorized to write federal bonds and the limits that may be accepted on any one bond. **Page 46**

American Liability & Surety of Cincinnati has increased its capital to \$500,000 and surplus to similar amount. **Page 42**

Committee of seven casualty company executives visits Boston to investigate compulsory automobile rate situation. **Page 43**

Massachusetts automobile situation is filled with dynamite, in the opinion of prominent casualty officials. **Page 41**

Association of Insurance Counsel meets at Old Point Comfort. **Page 42**

A committee of casualty company officials will give study to methods of meeting the 50-50 plate glass insurance policy. **Page 41**

ST. LOUIS ENTERTAINS MISSOURI LOCAL MEN

Ridge of Kansas City Elected President—Favors Qualification Law

LOCAL BOARDS GROWING

Association Now Has 369 Members—W. W. Ellis Outlines National Board's Advertising Program

OFFICERS ELECTED

President, T. S. Ridge, Jr., Kansas City.
First Vice-President, John R. Harkins, St. Louis.
Second Vice-President, P. K. Weis, Moberly.
Third Vice-President, L. W. Garlick, St. Joseph.
Secretary-Treasurer, James B. Wallace, Kansas City.
Regional Vice-Presidents: W. A. Shelton, Unionville; C. P. Allen, Trenton; Sam Sprechler, Sedalia; Walter Bernard, Caruthersville; Robert M. Clayton, Hannibal; H. M. Wassweiler, Springfield, and U. L. Jones, Piedmont. Chairman Legislative Committee, Carl S. Lawton, St. Louis.

ST. LOUIS, Sept. 19.—On the whole the annual meeting was among the most successful ever held by the Missouri Association of Insurance agents, although the attendance was not quite up to expectations. The number of St. Louis agents sitting in at the business sessions was disappointingly low, but at the dinner given by the St. Louis Fire Underwriters Association there was a capacity crowd.

The report of the committee on resolutions which was passed placed the organization on record as supporting the National association in every particular.

Favors Qualification Law

The newly elected president, Mr. Ridge, in a few brief remarks just prior to final adjournment promised he would strive to advance the interests of the association and insurance generally during his term. He advocated that individual agents endeavor for improvement of themselves so that the general standard of the profession may be raised. He

(CONTINUED ON PAGE 21)

NOT ABLE TO ESTIMATE LAST WINDSTORM LOSSES

COMMUNICATION DIFFICULT

Porto Rico Storm Worst in Years—No Definite Information from Representatives Available

NEW YORK, Sept. 19.—Fire companies at this time of writing are without advice from either their Porto Rico or their Florida representative regarding the probable insurance loss caused by the hurricane that, sweeping eastward over the Caribbean sea during the past few days left a train of destruction in its wake. Both cable and telegraph wires in Porto Rico are down, making prompt communication with the stricken section of the island out of the question. To a lesser degree the central counties of Florida that were in the path of the windstorm are also isolated.

No Excessive Losses Seen

Thus far the National Board has not been asked to install its emergency loss information service at either of the stricken zones, and it is doubtful if such request will be made; the prevailing opinion being that the loss to the windstorm writing companies will not be excessive. The reverse, however, may prove to be the case once reliable information be obtainable. Rates for windstorm insurance in Porto Rico are prepared by the Porto Rico Board, subject to the approval of the London Fire Office and the United States Fire Companies Conference.

Considerable windstorm insurance is carried in the islands on sugar and tobacco property. While a number of leading United States companies write this class of business, most of the liability is carried by the British companies, according to the latest statistics available. For a number of years the experience on windstorm business in Porto Rico has been good, the average loss ratio being around 33 percent. The present storm is the worst which has visited the island since 1899.

Crop Loss Heavy

F. Vall-Spinoza, secretary of the Porto Rico Board of Fire Underwriters, reached New York Tuesday. He says the heaviest loss in Porto Rico has been on crops, that in San Juan loss to structures was largely by unroofing and that insurance loss on contents will probably be heavier than on buildings.

STURM COMPARES U. S. LOSSES WITH EUROPE'S

SAYS CONTRAST IS STRIKING

Comparative Figures Emphasize Difference—Some Reasons Assigned for Showing Here

NEW YORK, Sept. 19.—Following a six days' trip to Europe and the British Isles, Chairman Ernest Sturm of the America Fore group has just returned to New York. He expresses concern over the multitude of fires occurring daily in United States as compared with the few in European cities. Mr. Sturm says the contrast is so striking it attracts immediate attention of the traveler. In United States there is approximately a fire a minute on the average, according to the best available records for the whole nation, and about one every 21 minutes in greater New York, based on last year's reported blazes.

Fires are exceptions rather than the rule on the other side of the Atlantic. He cites one town on the continent that had only one fire in 100 years. Comparative per capita fire loss figures stress the difference graphically. Last year London's per capita toll by burning was 40 cents and Sheffield's 18 cents, whereas in the United States some of them run as high as \$24.31, as did Montgomery, Ala., last year. Bangor, Me., in 1927 registered a loss per person of \$21.91. The national per capita rate for the United States approximated \$4.

"The reason for the heavier losses in this country," he said, "is found both in our temperamental indifference to fire damage, reflecting our younger civilization, and also in less sturdy average construction. Lumber is still cheap in the United States and where we have millions of frame buildings, Europeans occupy mostly stone structures, the stairways of which are enclosed so that a fire has little or no chance to sweep from floor to floor by means of these or other vertical openings.

"The Code Napoleon, which prevails in most of the continental countries, is also a factor in discouraging carelessness with fire, since the law holds the person who causes a fire responsible for the damage it wreaks upon buildings he occupies and also that which affects adjacent property. European authorities do not look upon the individual who has a fire as one to be condoned with but as one who should be called to account."

ROCKFORD WIND LOSS IS MORE THAN \$500,000

Claims from Illinois' Second Largest City May Total \$750,000

STORM CUT NARROW PATH

Factories and Dwellings in Southeastern Part of City Affected—Loss of Life Heavy

A tornado which cut a narrow path through a portion of the industrial and residential section of southeastern Rockford last Friday afternoon caused an insurance loss that is estimated at between \$500,000 and \$750,000, and resulted in the death of eight factory workers. The factories damaged were: The Rockford Chair & Furniture Company, plant "B," loss estimated at \$125,000; the Elco Tool Corporation, loss estimated at \$125,000; Union Furniture Company, estimated loss \$60,000; Estwing Manufacturing Company and National Lock Company with estimated losses of \$10,000 each; David Carlson Roofing Company warehouse, \$12,000; South Park Transfer Garage demolished, \$15,000.

Small Dwellings Hit

The principal loss of life occurred in the Rockford Chair & Furniture plant, where the twister tore the roof off and hurled down the walls of the building. The tornado came from the southwest and cut a path about 150 yards wide for a distance of about two miles through the southeastern part of the city. About 200 dwellings costing from \$3,500 to \$6,000 were damaged. A few farms on the outskirts of Rockford were severely hit, but a mile from the city limits the tornado evidently lifted and did no further damage.

Carried Tornado Insurance

Most of the factories and commercial enterprises in Rockford were insured against tornado and perhaps three-fourths of the dwellings in the devastated area had either full or partial tornado protection. This is due partially to the fact that there have been previous tornado scares in Rockford and

PROMINENT AT THE LOCAL AGENTS MEETING AT WEST BADEN



W. E. HARRINGTON, Atlanta, Ga. President National Association



R. P. DE VAN, Charleston, W. Va. Chairman Executive Committee



W. H. BENNETT, New York City Secretary National Association



H. L. BARR, Indianapolis Helped Handle Arrangements



Alliance national advertising builds prestige for the Alliance Agent



THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

Head Office: 1600 Arch Street, Philadelphia

CHICAGO
209 W. Jackson Blvd.

SAN FRANCISCO
231 Sansome Street

ATLANTA
8th Floor, Hurt Bldg.

high winds have caused damage in several cities near Rockford in years past. In addition, the western departments of both the American and the Security are located at Rockford, which has resulted in a more vigorous solicitation of tornado business than might otherwise have been the case. Further, the building and loan associations and banks in Rockford require tornado insurance as a protection for their mortgages and hence virtually all of the dwellings were covered. This, however, was not the case so far as dwelling contents were concerned, which indicates that tornado insurance was purchased by Rockford householders only when it was forced upon them.

Demand Not Heavy

There has been some stimulation in the demand for tornado insurance since the storm, but it has not been marked. One industrial plant placed an order for \$240,000 of tornado coverage one day after the tornado struck.

A tank on one of the factories was blown loose from its moorings and after tumbling over crashed through the various floors of the factory to the basement, causing a heavy damage and loss of life. This is an example of the hazard that attaches to tornado business on plants having water tanks on the roof.

Public Adjuster Warning

There are more individual losses than the total loss figure would indicate. A considerable number of dwellings were unroofed and there are hundreds of minor claims. The Western Adjustment and the Underwriters Adjusting Company have concentrated a large force of adjusters in Rockford and are disposing of the claims as rapidly as possible. Clarence E. Patrick, secretary of the Rockford Chamber of Commerce, the day after the tornado issued a warning to firms and individuals to disregard "public adjusters" who solicit owners of damaged homes to represent them in adjusting their losses and advised that all deal directly with the agent writing the policy. The chamber extended its services to citizens unable to get in communication with their insurance companies.

The loss of life which was heaviest in the Rockford Chair factory came as a consequence of the walls being blown in, causing the roof to crash to the ground and pin factory workers under it.

On Friday in eastern Nebraska and southeastern South Dakota there was considerable loss by storm. Magnolia

Corner, Wis., near Evansville also reports considerable damage. The center of the Nebraska storm seems to have been Dakota City. Farm houses, barns and schools felt the impact of the wind. The LaMere school near Walthill, Neb., was completely demolished. The length of the Nebraska storm was about 50 miles and South Dakota 40 miles. In Davis, S. D., a small village about half the buildings were badly damaged. At Dakota City, Neb., on the Iowa state line, there are 25 buildings that were severely hit. Walthill, Homer and Winnebago, Neb., all report heavy loss.

A small tornado hit Fort Atkinson, Wis., and a section of Jefferson county last week, damaging several buildings and crops, and blowing down trees. High voltage electrical lines were pulled to the ground and threatened buildings in several parts of the city. The path of the storm extended in a strip about four miles wide, southward from Fort Atkinson into Rock county, with the greatest force just east of Emerald Grove.

NEW JERSEY AGENTS' PROGRAM ANNOUNCED

SOUTH CHICAGO, ILL.—The program for the annual meeting of the New Jersey Association of Underwriters, to be held at the Hotel Ambassador, Atlantic City, Sept. 28, is announced. There will be a morning business session including the election of officers. In the afternoon addresses will be given by C. E. Rickerd, advertising manager of the Standard Accident, on "Insurance Advertising"; Edson S. Lott, president United States Casualty, on "Compulsory Automobile Insurance," and William N. Bament, vice-president and general adjuster of the Home of New York. R. P. Devan of Charleston, W. Va., representing the National Association of Insurance Agents, will be present to give a talk.

Show Fishing Trophies

W. J. Shipe, Kansas City, Mo., state agent of the New Hampshire, and George P. Cook, special agent of the Providence Washington, are exhibiting pictures of a 200 pound catch of cod, which they made recently off Portsmouth, N. H. This was their first experience at deep sea fishing, and they report that for real sport nothing compares with pulling in a nice 9-pound cod. Mr. Cook and Mr. Shipe made the trip to New Hampshire following the recent meeting of the grand nest of the Blue Goose.

WHERE TORNADO STRUCK AT ROCKFORD



This picture shows one of the plants that was most seriously damaged by the tornado that struck Rockford, Ill., last week, which was one of the most serious that has struck the Great Lakes region in recent years. It represents the plant of the National Chair Company after the storm had passed. It was in this plant that much of the loss of life occurred.

Photo International.

J. A. GIBERSON TALKS ON PRESENT DAY PROBLEMS

URGES QUALIFICATION LAW

Missouri Agents Told Cooperation Is Necessary for Success of Auto Identification Certificates

J. A. Giberson of Alton, Ill., member of the executive committee of the National association, spoke to the Missouri Association of Insurance Agents' convention last week. He discussed automobile club competition.

He stated that there is an honest purpose for an automobile club such as roadside service, protection against speed traps and dishonest officials, adverse legislation, etc., and advocated every local insurance man joining his automobile club. He added that the Missouri Automobile Club as such is a very efficient organization.

While declining to hop to the subject with his customary vigor Mr. Giberson did touch on the question of automobile club competition, and tersely summed up his case by stating that the cold facts are such organizations exist because someone wants to make more money.

He pointed out there are many ways in which to meet such competition, one of the best means being the proper use of the National association automobile certificates.

Demands Cooperation

"The theory is all right but whether these certificates will work in practice depends entirely on the amount of cooperation that is given by the local agents," Mr. Giberson continued. "If the agents using such certificates will give bearer of an out-of-town certificate the same sort of service as accorded to their own clients the certificates will prove a big help. Certificate holders who are aided in this way will tell their neighbors and in time there will be a widespread demand for such service."

Mr. Giberson then hopped to his self-assigned subject and raked local agents and some of the companies for their selfish and poor methods of doing business.

"The trouble with the rank and file of insurance agents is they are so selfish and self-centered they are not willing to give the time and effort to properly aid movements designed for the welfare of the entire business," he said. "There has got to be cooperation everywhere if we are to get anywhere with this business of ours. The agents and companies should cooperate fully in meeting their mutual problems. One of the things about this insurance business that I cannot understand and no one has been able to properly explain to me is why the companies persist in refusing to cooperate with their agents."

Haven't Complete Monopoly

Here he expressed the belief that the companies did not have a complete monopoly on the best minds in the insurance industry and that there are some agents who are capable of sitting in at any conference and contributing materially in solving intricate insurance problems.

To illustrate the point he wished to make he used the rates promulgated on automobiles as an example; picturing how it is necessary for a local agent to plough through many thick manuals in order to quote a waiting client proper rates on a complete automobile coverage.

"Maybe the best brains in the country are at the disposal of the insurance companies but if the results in the automobile departments are the best they can do I doubt it," he added.

However, he contended the companies should give some consideration to the views of the man on the firing

CREDIT RATING STUDIES SHOW CHANCE FOR SELLING USE AND OCCUPANCY

AN analysis of the credit rating, made within one year after the fire, of those who have suffered a fire loss, and who before the fire showed a credit cent of them operating with reduced or rating of at least \$10,000, shows 58 per cent credit rating. That was the opening statement of George M. Graham of Kalamazoo, introducing the subject of use and occupancy insurance and gives the best reason for its purchase, he said at the meeting of the Michigan Association of Insurance Agents.

U. & O. Business Is Always at Hand

Any agent, who cannot sell a power U. & O. policy to a laundry on the basis of \$50 a day coverage for 25 days at a premium of \$21 for three years is a poor salesman, declared Mr. Graham. A U. & O. policy is a valued policy. First determine the insurable value, investigate the moral responsibility of the prospect and then present a proposal, he urged. Large as well as small premiums await the solicitor.

Before seeking to sell power U. & O.,

line, the local agent who actually sells the insurance, when it comes to making the rates under which the insurance must be sold in competition with the mutuals and reciprocals. "The stock companies have got to wake up and change their methods," he concluded this portion of his discussion.

Urges Qualification Law

Mr. Giberson stressed the necessity for strict agents qualification laws. "It is a crime for Illinois for instance," he said, "to permit men to go about the state selling insurance who know absolutely nothing about it. If the man to whom they sell wild-cat insurance suffers it is not the agent who sold him the insurance he blames, but the entire insurance industry. Every legitimate agent in the field is held responsible for the work of such highbinders."

"The insurance agents have an absolute right to condemn the state for permitting such conditions and should insist that no man be permitted to sell insurance unless he is qualified fully to do so."

Agents Should Complain

He expressed a belief in company rules and regulations governing agents for such companies, but on the other hand contended that agents have a right to complain if stock companies reinsure mutuals and reciprocals that are cutting the rates and taking business from stock agents. He also contended the special agents should have some ideas that will benefit the local agents and not confine their work entirely to inspections and cancellations. In this connection he pointed out that there are 39 stock insurance companies operating in Illinois that reinsure reciprocals and mutuals.

He told of his personal experience with a stock company he represented in Alton which was according excess insurance protection to non-stock insurance bodies. He wrote a protest to the vice-president of the stock company and was told in no uncertain terms to "mind his own business."

"And I resigned that company's agency right then and there," he continued. "I contend that if a company asks an insurance agent to sell his clients its insurance protection he has an absolute right that the company shall not engage in any unsound practices that may endanger the welfare of its policyholders. An agent has a perfect right to look into not only the financial standing of each and every company he represents, but also the practices of every company he represents."

Mr. Graham suggested consultation with the local public power plant engineers to determine the need for such coverage. Sometimes conditions are such that no need presents itself.

Power Conditions Should Be Well Analyzed

The local power company may have sufficient power available at the point of consumption to take over the power load at once on emergency call. On the other hand, the prospect may believe he does not need power U. & O. coverage, when a careful checkup with the local public power plant will show error. A recent \$12,000 premium was the result of a checkup made by Mr. Graham. This form of insurance offers a possibility of the largest premiums in the business.

Study electrical or other power possibilities, know all the facts and then give the assured unbiased advice, he suggested, and once on the books, check values and indemnities at least every six months, if disaster is to be avoided, he concluded.

MICHIGAN ASSOCIATION IS THIRTY YEARS OLD

Secretary George Brown of the Michigan agency association says:

"We're 30 years old. The Michigan Association of Insurance Agents was organized in Detroit, July 15, 1898. The first meeting was held in the Cadillac Hotel. The second day of the convention was passed on the steamer 'City of Toledo.' There were present 23 insurance men. To them belongs the honor of having created an organization that today includes the leading agencies of the state."

"The charter members were: Charles H. Garrett, Kalamazoo; E. Van Tuyl, Bay City; A. G. Plum, H. S. Lewis and John G. Harris, all of West Bay City; E. G. Spaulding, Port Huron; Geo. A. Dyer and C. S. Hecox, Lansing; Charles Holden, Grand Rapids; T. J. Reiley, H. B. Page, Wm. A. Eldridge, Eugene R. Chandler, D. C. Karrer, Ross Brown, W. C. Clark, A. A. Bleazby, A. Bunclark, Ben Wells, Gustav Schmemann, Joseph P. Goodrich, Leo K. Hennes and Fred Guenther, Detroit. They elected Guenther, president; Hecox, first vice-president; Holden, second vice-president; Van Tuyl, third vice-president; Spaulding, fourth vice-president, and Eldridge, secretary and treasurer. As far as we have been able to trace, 11 of the 23 have gone ahead: Van Tuyl, Plum, Dyer, Holden, Reiley, Eldridge, Karrer, Brown, Bleazby, Wells and Guenther."

Must Be Inspected

BUFFALO, Sept. 19.—Steamships operating on the Great Lakes in the grain trade after Oct. 1 must be inspected if their insurance protection is to be in force, according to an announcement from the Great Lakes section of the American Bureau of Shipping just received here. The underwriters had heavy losses in November and December last year due to damage to grain carriers and desire to protect themselves as fully as possible by seeing that such steamers are in proper condition before entering the hazardous late season navigation of the Great Lakes, it is explained in announcing the action.

First Blue Goose Death Claim

The first death claim under the group life insurance plan of the Blue Goose was paid on Harry Mershon Holiday of Atlanta, who died of heart disease while returning by boat to Atlanta.

EASTERN MEN FACED WITH REAL PROBLEMS

NO PROGRESS IN PITTSBURGH

Withdrawal of Firemen's of Newark, Group from Eastern Underwriters Association Complicates Situation

NEW YORK, Sept. 19.—The attempt of the Eastern Underwriters Association to prepare an acceptable commission arrangement for agents in Allegheny county, Pa. (Pittsburgh), is not making appreciable headway, being complicated now through the recent withdrawal of the Firemen's of Newark group from membership in the organization. By reason of its ownership of several Pittsburgh companies, each having numerous representatives throughout the home territory, the Firemen's has a large volume of business in Allegheny county. It is now in position to deal with its representatives in the section, regardless of the rules of the Eastern Underwriters Association. The situation at Pittsburgh just now can best be described as "hopelessly muddled." How and when it will be clarified is a problem.

Situation at Baltimore

Many of the Baltimore agents have signed and are now working under the revised commission arrangement. One or two agencies will likely become "mixed," having declined to accept the Eastern Underwriters Association's proposition. It has been made very clear that the allegation of certain important Baltimore agencies that they are entitled to recover substantial sums from some of their old Eastern Union companies is purely an individual company and not an association matter. It is alleged by some of the Baltimore men that they were promised a contingent to equal that allowed in any jurisdiction of the old Eastern Union, where such figure exceeded the 5 percent paid in Baltimore. It developed that in some centers 7½ percent was paid and again 10 percent was allowed in particular instances. Though the reputed arrangement was made 17 years ago, not until now have claims been filed thereunder by the concerned Baltimore offices. The issue is one that affects only certain companies and they will deal with it. It was not an association affair.

The situation in Boston, another of the important "excepted cities" under control of the association, is fairly satisfactory, while that in Philadelphia is progressing toward the same end.

NEW INVESTMENT TRUST ORGANIZED IN BUFFALO

BUFFALO, N. Y., Sept. 19.—Announcement is made here of the formation of a new investment trust, the American Alliance Investing Corporation, sponsored by the Buffalo investment house of Schoellkopf, Hutton & Pomeroy. Buffalo and New York capital is interested in the new corporation, the latter group being virtually the same as those connected with the Insurance shares corporation. Sterling Pile, president of the latter company, was the principal speaker at a luncheon meeting here at which formation of the new company was announced.

Men who will be directors of the new corporation include Harry C. Thompson, former comptroller of the Prudential and president of the Lincoln Interstate Holding Company and the Jefferson Fire, who will be president; Mitchell May, New York state supreme court justice, and Joseph C. Braelow, president of the Harrison National Bank of New York, vice-presidents.

On the directorate will be numerous prominent business men and financiers of Buffalo and New York.

INTEREST IS TAKEN IN LICENSE REVOCATION

SOUTH CAROLINA'S ACTION

Insurance Department Clamped Down on the Firemen's of Newark and Its State Agent

Insurance men are taking interest in the revocation of the license of the Firemen's of Newark in South Carolina and that of its state agent, W. D. Crawford. Last February, application was made from a Spartanburg agency for licenses for five partners. Former Commissioner McMahan granted licenses to three, but later, when he found that they were officers of the Bank of Commerce in Spartanburg, he demanded their return. They were not returned. When Commissioner Sam B. King took charge April 1, he did not renew these licenses. Later he learned that A. R. Coleman, in charge of the agency, had been issuing policies of the Firemen's after his license expired, according to the statement of the insurance department. At a hearing, Mr. Coleman stated that he did so on instruction of State Agent Crawford. The commissioner then issued an order to the Firemen's and Mr. Crawford to show cause on Aug. 23 why their licenses should not be revoked. The hearing was attended by President Neal Bassett and his attorneys.

KING STATES ATTITUDE

COLUMBIA, S. C., Sept. 19.—Commissioner King in making known his attitude towards so-called "bank agencies," when he ruled that they would not be allowed to do business in this state, said: "The Firemen's has consistently been of the opinion that salaried officers of a bank are properly to be appointed as its local fire insurance agents, irrespective of the fact that the insurance written by them is written as a part of their banking duties, and even though the employing bank retains as a part of its banking profit the commissions allowed by the insurance company to the agent on the business so written." He then enters into a discussion of bank agencies situation, which he says became acute in South Carolina in December, 1927, during the administration of Mr. McMahan. Mr. McMahan repeatedly refused to license bank agencies.

Presented With Arguments

Before he went into office Mr. King says he was approached and presented with arguments in favor of bank agencies; after taking office in the spring of this year he says further arguments were made to him, but he held his decision in abeyance until he had made some investigations on his own behalf. Last spring Mr. King issued his ruling to the effect that it would not be his policy to license bank agencies. After this ruling W. D. Crawford, state agent of the Firemen's, began a series of conferences with the commissioner it is claimed, in which he urged the issuance of licenses to certain bank officers of Spartanburg, among them A. R. Coleman. Mr. King in his ruling says he did not accede to requests made of him.

King Issues Rule

In July, 1928, Mr. King says, information came to him that Mr. Coleman, in spite of the position he took as commissioner, had countersigned as local agent of the Firemen's some 70 odd policies. At a hearing in regard to this matter Mr. Coleman said he had issued Firemen's policies and that he had done so in pursuance of instructions of Mr. Crawford and that the home office of the company was aware of his actions. A rule to show cause against State Agent Crawford and his principal, the Firemen's was issued by Mr. King, return to which was made in August,

(CONTINUED ON PAGE 53)

SOME OF THE MAIN FEATURES OF CANADIAN SUPERINTENDENTS MEETING

REGINA, SASK., Sept. 19.—The Association of Superintendents of Insurance of the provinces of Canada is meeting here this week. Charles Heath of Manitoba presented a report regarding the credit evil in insurance, saying that the public pays for all the cost of underwriting. If the companies cannot by agreement devise some method by which the credit evil can be ameliorated he said that undoubtedly the provincial authorities will be forced to take such steps as may seem necessary. Life insurance business is largely a cash business. The fire and casualty business was at one time and the committee agreed that it would be a splendid thing if they would return to this basis. He said the companies should provide a remedy for the credit evil.

Oversight of Promotion Schemes

Orwell E. Sharpe, president of the association, who was formerly superintendent of Quebec, is no longer in office but he sent a report declaring that there should be closer oversight over the promotion of new companies. Glaring and glowing prospectuses are issued which are often misleading. He said that there should be a maximum promotion expense of 15 percent. Frequently rebating is made on stock sales because of the high commission.

R. Leighton Foster of Ontario in a report on limitation of risks said that the desirability of legislation fixing a statutory limit on the amount which a company may expose itself to loss on any one risk has been increasingly apparent by the circumstances concerning the failure of the Dominion Gresham Guarantee & Casualty. It issued large mortgage guarantees in connection with real estate promotion schemes in Toronto. The ordinary business of the company had been in good shape.

During 1926 and 1927 it issued some very large bonds guaranteeing the payment of principal and interest. The face value aggregated some \$750,000. There was no reinsurance. The committee recommends the New York law in this respect. It pertains to stock companies so far as fire, marine, casualty and surety are concerned.

Accident and Health Insurance

H. G. Garrett of British Columbia made a report on accident and health insurance. He said that the Association of Superintendents of Insurance has been successful in securing uniform legislation protecting the public and facilitating the business of the company. In 1925 the growth of disability insurance as offered by the life companies compelled an investigation of the relative application of provisions in the statutes concerning life insurance and accident and health insurance. The committee looked into the subject of contributory unemployment insurance saying that it is a very live one in various parts of Canada and the time is not distant when some province will enact legislation of this character.

Cancellation of Policies

The committee commented on a talk given by a member of Parliament in which he claimed that a company had brusquely canceled his accident policy which he had held for several years. He admitted that the company acted within its legal rights. This member suggested that companies should be compelled in some way to continue insurance where it was desired to cancel a policy until the assured had obtained other insurance. One of the superintendents sent out a questionnaire to ascertain how far non-cancellable policies have been tried in Canada and whether they are practical. The conclusion reached is that there is no demand for non-cancellable insurance and

it is impracticable for the reason of the high premiums necessarily involved.

J. P. Dougherty of British Columbia in a report on fire and casualty agents legislation stated that a great percentage of the agents are not as well conversant with the insurance laws as they should be in order to write insurance and give proper service. He said that the time is not far distant when the various provinces will insist on some form of examination as to the qualification of an agent.

Cancellation of Hail Policies

Henry Brace of Alberta, representing the committee on hail and tornado insurance, was asked to take up the matter of legislation permitting cancellation of hail contracts. In Saskatchewan legislation had been submitted permitting companies to cancel hail policies by way of refunding the full amount of the premium or the return of the insurance note on 10 days notice to the insured by mail or five days personally delivered. The companies claim that in practice they were frequently at a serious disadvantage and that many of them were being held to pay a number of claims where they would otherwise have declined the risk, notwithstanding that in many cases the assured had not completed his part of the transaction.

Heavy Loss Ratio

After careful study of the situation the committee became convinced that cancellation provisions are necessary and that amendments made to the Saskatchewan insurance act in this respect are appropriate and should be adopted by Manitoba and Alberta. No changes have been made in respect to hail legislation in either of the two latter named provinces. The hail premiums and losses in each of the three provinces during 1926 and 1927 showed a heavy loss ratio as follows:

	Premiums	Losses
Alberta—		
1926	\$1,634,831.05	\$1,099,150.77
1927	2,987,144.87	4,010,781.18
Saskatchewan—		
1926	3,214,615.31	2,479,099.63
1927	4,692,845.20	3,236,189.43
Manitoba—		
1926	464,513.25	150,958.25
1927	472,337.46	177,594.24

Over Insurance Issue

Henry Brace of Alberta presented the report on over insurance of fire risks. The committee is of the opinion that the question of over insurance is one of considerable importance. Canada's fire loss is not being reduced to any appreciable extent. From all that the committee can learn a large percentage of fires is due to carelessness and at least 30 percent to incendiary origin. Over insurance the committee declares can be cited as a direct stimulus to incendiary and carelessness. In Alberta an added section of the law was passed requiring an inspection of property insured.

Finds Practice Desirable

The Alberta insurance department has been able to use this law to the extent of having some inspector ascertain the approximate value of the property and the amounts of insurance carried. Where over insurance is found to exist a report is made to the superintendent. Considerable over insurance has been reduced. The committee claims that every risk should be inspected wherever practical. The committee believes that agents should assume more responsibility in inspecting risks and getting at truer values.

R. Leighton Foster, in his report, said that during the year the desirability of preparing a modified form of application for use in connection with so-called dealer's automobile policies was raised by the Manitoba superintendent. It is understood that a committee of the

CONFERENCES ARE HELD ON AVIATION INSURANCE

TAKEN UP AT LOS ANGELES

Insurance Angle Under Consideration at Meetings There of Two Different Groups

LOS ANGELES, Sept. 19.—At a conference held in Los Angeles Friday under the auspices of the State Railroad Commission, to consider aviation subjects and proposed legislation, a committee was appointed to consider the legal responsibility of air carriers and insurance pertaining to such transportation. This committee is headed by David Faries of Los Angeles, counsel for Maddux Air Lines, and includes R. L. Harris of Los Angeles, with the insurance firm of Rule & Sons; Earl W. Hill, University of Southern California professor, who is studying insurance; Donald McClure, San Francisco attorney; J. B. Levison of San Francisco, president of the Firemen's Fund; and A. E. Fisher of San Francisco, who is now in Europe studying air travel insurance.

At the aeronautical conference of the California Development Association, also held in Los Angeles, insurance and other problems in connection with commercial aviation were discussed. The insurance division was headed by Charles R. Detrick, insurance commissioner of California. This group was addressed by Reed M. Chambers, a representative of the United States Aviation Underwriters, New York, who spoke on "Aviation Insurance Problems." A paper was also read by J. Brooks Parker of Parker & Co., Philadelphia. At a luncheon session an address was given by W. P. McCracken, Jr., assistant secretary of commerce for aeronautics.

Canadian Automobile Underwriters Association has been appointed with instructions to prepare a suitable form and submit it to the insurance superintendent for approval. Under the dealer's policy the ordinary form of application is inappropriate.

Disability Provision in Life Contracts

Arthur E. Fisher, in his report, recommended that a standing committee of the Superintendents' Association be appointed to collaborate with representatives of the Canadian Life Officers' Association in the preparation of sections of the law relating to disability provision of life contracts. A joint report was made in 1927 in the application of accident and sickness insurance legislation to casualty benefits in life insurance contracts. As a result, it was recommended that the total disability provision of life contracts should not be governed in any way by the statutory conditions applicable to accident and sickness insurance.

Accident and Health Laws

Mr. Fisher also, in his report on variations in statutory conditions of accident and sickness insurance, recommended that this subject be taken up at the next conference. This was due to two events of outstanding interest with respect to the insurance jurisdiction. The first was the judgment of the supreme court of Ontario, wherein it was held that certain sections of the insurance act were ultra vires of the Parliament of Canada. The second was the resolution adopted at the inter-provincial conference at Ottawa expressing the opinion that the Dominion should repeal its legislation regulating contracts of insurance and the business of insurance as ultra vires the legislative competence of the Parliament of Canada or in the alternative, take immediate steps to appeal the decision of the Ontario courts to the judicial committee of the privy council.



The White Fireman
safeguards
the American
cotton crop

COTTON is one of America's great assets. A considerable loss of it might affect manufacturers, retailers and consumers everywhere. The White Fireman, therefore, has not overlooked cotton protection as a part of his all-inclusive loss-prevention service. In the last decade he has effected improvements in the fire-safeness of a thousand warehouses at cotton concentration ports. 44,000,000 square feet of sheds have been constructed to reduce the hazard of fires from sparks. 48 miles of fire walls have been erected to minimize the number of bales subject to a single fire. 140 miles of water mains, 75 miles of fire hose, thousands of hydrants and hundreds of automatic sprinkler systems have been added to fire-fighting equipment.

That the White Fireman's work has not been in vain is evidenced by the fact that the average annual cotton loss for the past five years was considerably lower than for the preceding five years.

THE White Fireman symbolizes the Loss-Prevention Service supported by insurance companies. This service includes: Consultation on proposed structures, that they may be as fire-safe as possible. Inspection of property, with recommendations for the reduction of fire-hazards. Maintenance of the Underwriters' Laboratories for the testing of building materials, the practical trial of fire extinguishers and other protective equipment, the examination of electrical apparatus and materials. Various other kinds of technical assistance for the furtherance of property conservation. The North America Agent will tell you how to secure this valuable service.

**Insurance Company of
North America**
PHILADELPHIA
and
**Indemnity Ins. Co. of
North America**
write practically every form of insurance except life
The Oldest American Fire and Marine Insurance Company—Founded 1793

Property Owners may Secure Loss-prevention Service through Responsible Insurance Agents

If you are in the insurance business you should be interested in the magazine advertising of the Insurance Company of North America. It is *your* advertising—because, by telling property owners about the constructive loss-prevention work which insurance companies are doing, it is increasing the public's regard for you and for everybody associated with insurance.

The advertisement reproduced above, in which the White Fireman symbolizes the loss-prevention engineering service of the Marine Underwriters, appears in full-page size, two colors in the September 15th issue of the Saturday Evening Post; the September issues of Atlantic Monthly, Golden Book, Harper's Magazine, Review of Reviews, Scribner's Magazine and World's Work; and in the October issue of American Magazine. *A combined circulation of nearly six million.*

NATIONAL ASSOCIATION RECORDS BEST YEAR

W. Eugene Harrington Presents
President's Administration Re-
port at Convention.

MUCH PROGRESS IS MADE

Many Problems Are Met During
Twelve-Month Period—Some Solu-
tions Are Found

W. Eugene Harrington, president of the National association, in his address to the convention of the organization at West Baden, Ind., this week combined with the president's address the report on administration. In part he said:

"What a sad commentary on a great business is the presence within it of a horde of incompetent agents. Men who are not and never can be fit to perform the duties of insurance agents are appointed on terms of equality with our members, the only requirement seemingly being control of some wee premium. This system of many agents of an insurance company operating in the same territory relieves them all of any substantial loyalty to it, denies the sufficiency of each, destroys their authority to represent the company, and renders responsibility to it impossible.

"It may as well be admitted that of late years the relations between companies and agents have not been ideal countrywide, and that neither the one side nor the other is entirely innocent. So far as the agents are concerned, it is our duty to remedy matters by re-establishing, to the extent that we can, the old spirit of agency-company loyalty that formerly existed.

Improvement Association's Aim

"To improve the quality of the service rendered by the members and to raise the standards of the business has been a constant aim of the National association. It mattered not whether a man came in a qualified or an embryo agent, so long as he had the sincere desire to make of himself a qualified agent. This had to be our aim if the National association was to continue its existence as a successful trade association.

"For insurance agents the National association is the bridge builder. The fundamentals of its work remain substantially the same; we cannot depart from them. But the time is now at hand when our trade association may aspire to something more. It has the experience that enables it to think of greater projects; now it can plan a lasting monument to be constructed patiently by the joint efforts of all.

"An important result of our five-year program is already discernible; it is a gradual rapprochement of companies and agents. Whether this is due primarily to the program or to natural development, it is not possible to say. We incline to the belief that our campaign has served largely to hasten this attitude on the part of companies, which can entertain no doubts of the sincerity of organized agents to give their best thought and effort to a wider distribution of indemnity through qualified agents.

Public Relations Work Important

"Public relations is a theme with which almost every industry and business is conjuring. To no branch is a proper relationship with the public more important than insurance. Long since the National association realized this, and it started a well-defined program of public

NATIONAL CHAMBER IS BACK OF THE CAMPAIGN

WANTS BUSINESS MEN'S HELP

Declares That All Should Cooperate in
the Effort to Reduce the Fire
Waste

WASHINGTON, D. C., Sept. 19.—Coincident with the issuance of President Coolidge's annual fire prevention proclamation, the Chamber of Commerce of the United States announced plans for national observance of Fire Prevention Week beginning Oct. 7.

Business organizations will take an active part in local fire prevention programs, and in hundreds of cities the observance of Fire Prevention Week will be under the general direction of local chambers of commerce. These organizations will conduct extensive educational campaigns to emphasize methods for preventing fires. The chamber estimates that two-thirds of all fires are preventable.

Business Bears Huge Waste

"The interest of the National Chamber and its member organizations in fire prevention," the chamber statement reads, "is due primarily to the fact that business bears about 65 percent of the total fire waste of the nation. For a number of years the National Chamber has been conducting among its member chambers of commerce an Inter-Chamber Fire Waste Contest in an endeavor to reduce America's excessive fire waste. Last year fire losses of the cities reporting in the contest were \$12,000,000 less than their average annual losses for the preceding five years. Their average per capita loss in 1927 was \$2.70, an unusually low figure.

"Total fire losses in the United States last year, according to the National Board, were \$478,000,000, an appreciable decrease from the record-breaking total of \$560,000,000 in 1926. The record for this year to date shows a further improvement over the corresponding period of 1927. Such a satisfactory showing is particularly pleasing to fire prevention leaders, and shows the direct benefits accruing from the national campaign."

relations back in 1925. We cannot now set out in detail the work of our committee on public relations and education. The point is that the organized agents have recognized their duty to insurance, viewed in the larger sense of the good of the business as a whole. It must not be forgotten that the production of more business is a constructive work that at once develops more premiums to the benefit of all insurance and helps the public by providing better protection. Public relations and business development, therefore, are the more intensive association activities that make for insurance and public good, while serving to aid the members in meeting the new competition.

"Your executive committee made the statement which was endorsed by the meeting of the state officers, the resolutions committee and the entire membership convention in the form of a resolution. Briefly it opposes vigorously anything that endangers the business of the policy-writing agent; non-policy-writing agents; the further extension of the producing branch office as distinguished from the service office, for the reasons that the production branch office will lead to higher costs of doing business and poor service to the public and has caused the appointment of non-policy-writing agents who render no service of value to the business or the public, and the appointment of any class of producers except the policy-writing agent and the duly licensed solicitor or broker.

"One phase of this question is actively

WOULD CHECK CREDIT EVIL IN INSURANCE

COMPANIES ARE IMPOSED ON

Col. A. E. Kirkpatrick of Canada De-
clares Too Many Assured Get
Indemnity Without Payment

Col. A. E. Kirkpatrick, president of the Fidelity of Canada and Canadian manager for the United States Fidelity & Guaranty, in a talk before the meeting of the Association of Superintendents of Insurance of the Canadian Provinces on the "Credit Evil and Free Insurance" declared that it cost \$3.50 to put an item through the books of a company. This would place the cost of the complete operation of writing, delivering and cancelling a policy between \$5 and \$10 per item. Some of the large companies informed Col. Kirkpatrick that as many as 50,000 flat cancellations go through the books in one year. Even taking the minimum cost of \$5 the loss would be \$250,000, for the maximum it would be \$500,000.

Room for Improvement

He said there is plenty of room for improvement in the operating cost of the business and reduction of undue overhead. Frequently, a company is exposed to the hazard of a risk, suffering loss and carrying with it attendant expense of adjustment when the assured expected to throw back the policy. He suggested that every province pass an amendment to its insurance act requiring that all policies automatically expire and cease unless the premium is paid or unless a note bearing interest at 6 percent from the date of the policy is in the hands of its company or agent within 30 days from the date when the policy, binder or bond goes into effect. He said this should be printed in red, or stamped in red with a rubber stamp.

Free in Contract Bonds

Free insurance, he said, is practically non-existent in the contract bond business. In the automobile business, on account of the frequent changes in ownership, it is necessary to issue new policies each year. He said that such policies might be endorsed that they shall automatically remain in force for 30 days after expiry so as to give the assured and agent ample time to get new policies. Col. Kirkpatrick read a letter from Commissioner Caldwell of Tennessee on the law in that state, stating that the credit ruling there has helped the business greatly. It has enabled the agents to collect their premiums and remit their balances more promptly. Under the Tennessee law all life insurance policies must be delivered within 60 days from date of issue or examination. Settlement must be made on delivery, either cash or by note.

Other insurance policies must be paid on or before the 15th day of the second month succeeding the month in which the policy is effective. The penalties are sufficient to force prompt action.

before us today. It deals with brokerage by our members at agency commissions. It may properly be asked why the agent is concerned with the expense of the business and why he should not be attracted by the offer of commissions which mean a great immediate profit to him. Our answer is that our members have to justify the expense of the business to the public and are more concerned with permanent economic stability than any immediate gain.

Opinion Is Divided

"One company organization has taken the position that the non-policy-writing agent is entitled to less compensation than the policy-writing agent. Opinion is, of course, divided on the difference

(CONTINUED ON PAGE 10)

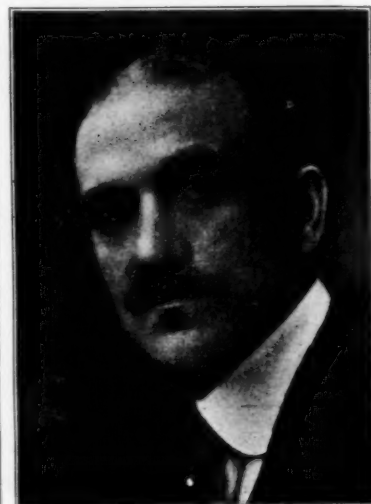
MAJOR OPERATION IS SOMETIMES NEEDED

Companies and Agents Should
Recognize Serious Condition
and Take Action

GOOD ADVICE IS GIVEN

President John M. Thomas of Western
Union Deals with Some of
the Current Problems

MANCHESTER, VT., Sept. 19.—At the annual meeting of the Western Union, President John M. Thomas stressed the need for caution in times of prosperity. He paid considerable attention to the subject of expenses, calling attention to the fact that companies have



JOHN M. THOMAS
President Western Union

given this subject much time and attention in the effort to reduce the ratio.

Mr. Thomas spoke particularly of the excess commission situation in "excepted cities." He stated that it would mean a sacrifice to make an adjustment, but he believes that unless drastic action is taken the future may be most uncertain. Sometimes a major operation he declared is necessary to save a patient. He said further:

The year 1927 was the best in underwriting results that we have experienced in a long time, and the prospects for 1928 are promising. However, if there is any truth in the adage that "history repeats itself," we must not accept temporary prosperity as conclusive evidence that we will have during the next 10 years any more free money earned on underwriting than that which the past 10 years has accumulated—or rather failed to accumulate.

Forced to Two Alternatives

Therefore, if we accept past experience as a reliable guide for the future, companies are under pressure of necessity either to collect more money for that which they sell, or so to order their affairs as to enable them to keep for their stockholders more of that which they are now permitted to collect; in other words, more rate, or less expense, or perhaps a combination of both. The former course involves a long extremely difficult struggle, and if achieved at all will be appreciably effective only after several years of application because of our necessarily complicated rating system.

On the other hand, expenses have



Making Service Mean Something

You can shout "Service" like a newsboy ballyhooing an extra, but if you don't back it up by *action* it's a hollow cry.

We give our agents actual, tangible, helpful service. Part of it is our company magazine, The ACCELERATOR. This magazine, packed with information, sales-helps, constructive criticism, new ideas, and other interesting wallops pertaining to insurance, goes to our agents every month.

Another part of our backed-up service is our Advertising Department itself. The details of our agents' advertising, if they desire, are taken care of by this department. We handle these details with all the thought and experience that would be accorded a national account in an advertising agency. Our Advertising Department is ready, on request, to supply copy for newspaper advertisements, circulars, booklets, sales letters and even speeches. It enables our agents to build up their business through the medium of advertising and advanced sales methods and frees them from the trouble, time, and expense that are involved if agents give their own time to this work.

Wouldn't you like to see some specimens of this special work of our Advertising Department? And wouldn't you like to have us mail you a copy of The ACCELERATOR?

**BOSTON INSURANCE COMPANY
OLD COLONY INSURANCE COMPANY
87 KILBY STREET, BOSTON, MASSACHUSETTS**

AMERICAN AUTOMOBILE INSURANCE COMPANY

ST. LOUIS

L. A. HARRIS
PRESIDENT

ALL KINDS
of INSURANCE
on AUTOMOBILES

CAPITAL & SURPLUS . . . \$3,260,936.98
RESERVES 7,014,294.65
TOTAL ASSETS (JAN. 1, 1928) 10,275,231.63

been checked and re-checked, sifted and sifted again, to an extent that further to reduce them also offers extreme difficulties. A considerable proportion of company expense may be classed as uncontrollable, i. e., expenditures inextricably attached to and inherent in the very nature of our operations. The largest single item of so-called controllable expense is commissions and brokerage, and this is therefore, the item to which attention naturally is first directed.

May Require Major Operation

I have much sympathy with the agent who is called upon to surrender any part of his income, even though the rate of compensation is out of proportion to that generally paid in ordinary territory. It goes without saying that some company must be found willing to pay before any agent can receive excessive commissions, so that the responsibility for the evil (accepting as a fact that it is an evil) is a divided one. However, when through stress of competition—greed for income—a hope of being able to “beat the game” in a new way—or for any other reason commissions have been pushed up to an indefensible point in any given locality, the far-seeing agent and company realize correction must be accomplished, even if it requires a major operation to do it.

Should Join in Mutual Effort

The time has passed—if indeed it ever existed—when companies may by mere arbitrary edict—tinker with a downward revision of agents’ compensation, without first having exhausted all reasonable means and exerted every legitimate effort to reach a mutually satisfactory understanding with the agents interested. While the individual interests and opinions of agents are as divergent as those of companies and they are properly quite as zealous in protecting their rights, it may be safely assumed that tolerant and fairly conceived negotiations will go far toward smoothing out such difficulties as exist—and will be found in many instances to make for common ground upon which both parties to such negotiations may firmly stand. This is all to the betterment of our business as a whole—not only justifying our methods before the public—but with more self-respect and satisfaction for ourselves.

Unrest in Agency Ranks

A most regrettable, but nevertheless plainly discernable, feeling of unrest, over an area, in form and of a degree not heretofore apparent, seems to pervade agency ranks. Probably the greatest single influence contributing to this condition is the widespread discussion brought about by efforts to reduce acquisition costs in the comparatively few high commission centers, with consequent agitation beyond the localities immediately affected.

Both the thoughtful agent and company executive will recognize the danger to the entire structure of fire insurance business should this tendency to dissention be permitted to grow and develop to the point that the agency forces and the companies shall have any just cause for believing the attitude of each toward the other is otherwise than tolerant, friendly, helpful and cooperative.

St. Louis and Chicago

St. Louis had been in an unsatisfactory condition for years notwithstanding many intelligent and well-intentioned efforts to correct. The turbulent history of Chicago’s difficulties commissionwise is long and lurid. The former is now operating harmoniously and with a large measure of both self-respect and contentment to agents and companies, and satisfaction to the insuring public—thanks to candidly and honestly conceived negotiations with the agents. The latter city is nearer than it ever has been to the adoption of a program insuring uniform commissions and general stabilization. This is a reform of major importance, and if accomplished

will have been made possible by the broadminded, intelligent and unselfish cooperation of the agents. With these two outstanding examples before us, are we not justified in believing that mutually satisfactory results will follow vigorous pursuit of a policy of free, frank and tolerant discussion of our problems with agents immediately interested? Inspired by this thought, let us with renewed hope again undertake to find a workable and equitable solution of the various similar problems confronting the business in other affected areas.

Many New Companies Formed

The past year has definitely broken all records in the history of our business in the matter of number of new companies organized, the substantial financial equipment supplied a majority of them, the impressive total of new money invested in these enterprises, and the seeming ease with which such large sums were absorbed by the investing public.

An inventory recently taken shows 25 new companies actually doing business with resources of \$34,000,000, 29 with plans fully completed calling for capital investment of \$42,000,000, and 18 others in the formative stage with prospective investment of \$25,000,000, or a total of more than \$100,000,000 distributed among 72 new competitors all eager for business.

Future Is Uncertain

If these new companies shall succeed to the extent evidently expected by their shareholders and if their stock is as widely distributed as it is undertook to be, one of the effects will be to improve the general position of fire insurance in the public eye. If the stock investment results shall be acutely disappointing, then an additional and considerable resistance to securing further public good will, will have been created. This question, however, is speculative and academic, and our immediate concern is the effect of this sharp increase in competition upon the business of members of this organization. Several of the new comers are already in the west, and it is reasonable to assume most of them eventually will seek to tap that vast reservoir of premiums.

Most New Companies Non-Affiliated

Of course, we should prefer their alignment on the side of what we like to call “law and order” as expressed by membership in the Union and loyal support of the principles and practices for which the Union stands, but their preference thus far seems to be to hold aloof from organization restraint of any kind, which means that they are free to make such commission contracts and other arrangements affecting agency relations as in their several judgments best serve their individual needs, without reference to uniformity of treatment in any given area.

Have Right to Their Position

While this plan of operating is opposed in all ways to the settled conviction, based upon many years of experience, held by our members, this is by no means valid reason for assuming that the other fellow is entirely wrong, or that our methods are entirely right. He has the same right to an expression of his judgment as to the best way to serve his stockholders and the public as we reserve for ourselves, and on this point we can be in complete accord. Certainly we do not aspire to the divinely forbidden practice of judging our neighbor.

Have Right to Choose Associates

But I emphatically declare that we have every moral right, and our attorneys tell us full legal right, to refuse to associate in the same agency with competitors whose conception of what constitutes observance of proper agency relation is so widely at variance with our own. We voluntarily associate to—

(CONTINUED ON PAGE 20)

S. L. LEGREID TALKS AT FIREMEN'S MEET

Illinois Marshal Addresses State
Association of Fire Fighters
at La Salle

GIVES PRACTICAL ADVICE

Tells Hearers His Department Stands
Ready to Cooperate Fully—Praises
Arson Squad Work

Illinois Fire Marshal Legreid in his address to the Illinois Firemen's Association convention detailed the work his department has done, is doing and stands ready to do in cooperation with local fire departments. In part he said: "The men who pioneered in America in the work of fire prevention were no



S. L. LEGREID
Illinois State Fire Marshal

doubt appalled at the criminal carelessness of our people. It is difficult to understand or to reconcile how the people of any country should be so unresponsive to the needs of conservation of life and property. Every human effort has been put forth by the agencies dealing directly with this problem to arouse the individual to protect the lives and property of our people. For more than 20 years these agencies and others have contributed unceasingly to halt the drain upon our national resources and individual financial losses, but even greater than these, the needless loss of life increasing in appalling numbers with each succeeding year.

"We are not altogether discouraged, but the results attained are far from what should be desired by every good citizen in America. If this waste continues without substantial reduction the time must come in America when either we adopt the rule of the common law of Europe and hold each individual morally and legally responsible for damage that occurs through the agency of preventable fire, or to adopt in addition the more stringent rule of law not only to fix liability for preventable fire on the person on whose premises it originated, but to further penalize for such fire by precluding the collection of fire insurance indemnity.

Record Proves Law Good

"We are willing to admit that such laws are foreign to the spirit of American institutions, but if conservation is absolutely necessary for the progress,

PRESIDENT CALVIN COOLIDGE ISSUES FIRE PREVENTION WEEK PROCLAMATION

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA
A PROCLAMATION

The economic and social progress of the nation is dependent to a large degree upon the proper direction and control of all elementary forces within it. Fire, a friendly aid and comfort when used properly, becomes a deadly foe when permitted to range unchecked. The dangers of fire, and to some extent the means of controlling it, have been understood generally from a very early period. However, year by year fire has resulted in the destruction of thousands of lives and much material wealth. In 1927 property loss alone in the United States due to fire is estimated to have totalled more than \$475,000,000, while loss of life from the same cause was likewise heavy.

* * *

A certain measure of encouragement is to be derived from the fact that fire losses in the United States were decreased in 1927 as compared with 1926. Co-operative efforts on the part of our citizenry in recent years have shown that many types of fires are preventable. Widespread interest and activity in fire prevention have had a marked influence in bringing about a realization of public responsibility in dealing with the fire waste problem. Cities, towns and farming communities, engaging in a constructive campaign to inculcate sound principles of fire prevention in the minds of thinking inhabitants, are accomplishing highly desirable and satisfactory results. There is urgent need, however, to translate this effort into further remedial action. Increased vigilance on the part of all citizens is necessary, for their cumulative efforts will determine the future reduction or increase in our national fire waste.

* * *

Therefore, I, Calvin Coolidge, President of the United States, do recommend that the week beginning Oct. 7, 1928, be observed throughout the nation as Fire Prevention Week. United and coordinated endeavor in reaching the consciousness of every citizen is desired and can be obtained by the concerted action of our press, our schools, our churches and the civic and welfare organizations of every community, rural and municipal. During the last few years the observance of Fire Prevention Week has furnished a stimulus and guide for activity throughout the year. With this precedent it is to be hoped that every community will strive continuously for the elimination of fire hazards and put into practice the fundamentals which will be stressed during Fire Prevention Week. The adoption of simple precautionary measures at all times will be rewarded by a higher degree of security to individual life and property.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this 13th day of September in the year of our Lord One Thousand Nine Hundred and Twenty-eight, and of the Independence of the United States of America the one hundred and fifty-third

CALVIN COOLIDGE.

By the President: FRANK B. KELLOGG, Secretary of State.

financial stability and happiness of our people, it may in time become necessary to meet this problem in this manner. The difference between individual responsibility for fires in Europe and in America is the difference in the fire ratio of approximately less than 50 cents in European countries and \$5 per capita in America.

"There are many ways to reach hearts. Some respond to one method, some to others. But there is one sure way to reach the mainspring of every person, and that is by way of the pocketbook. Tug at the purse strings and you usually tug at the heart strings.

Hazard Control Is Service

"This human characteristic can and should be used to advantage in fire prevention efforts. We can and should put fire prevention on a dividend-paying basis in every community. Let us bear in mind that serious fire hazards are severely penalized by higher insurance rates. The penalties affect not only the property which creates the hazard but all nearby property which is within range of exposure. If we control the hazard we are performing a genuine service for the community and saving dollars for property owners. Cooperation from the public should follow as a matter of course.

"Bulk storage plants for gasoline and oils should be given careful attention. Unless the clearances we specify are provided, and other requirements met, nearby property is sure to be penalized. We require blue prints to be submitted for all bulk storage plants before any installation starts.

Special Hazards Numerous

"Other special hazards over which we should watch are garages, paint spraying shops, plants for generating electricity or acetylene gas, moving picture theaters, improper storage of small

quantities of gasoline and excessive rubbish conditions. All are liable to bring heavy penalties in insurance rates. The penalties may affect a block, but they may also affect the entire community if conditions are such as to create a conflagration hazard.

"Unnecessary hazards such as rubbish and improper storage of combustibles should not be countenanced. Special hazards connected with films, garages, paint spraying and generating plants can be properly safeguarded by compliance with the rules of our department and of underwriters. It is simply a matter of insisting on compliance.

Cooperation Sought

"My purpose is to create the utmost cooperation between the fire chiefs of the state and my department, to the end that we may give every community the best possible service. Do not hesitate to notify us promptly of any special hazards which exist or are being created in your town which you yourselves cannot handle. If we can show your citizens that practical regulation of hazards is actually saving them money I am sure we can count on them to back us in all our fire prevention efforts.

Garage Rule Violated

"Since 1921 our department has had a rule which forbids garages to be kept in any building used for a school, place of assembly or detention, hotel, apartment, tenement or lodging house, or within 50 feet of any school or place of assembly or detention. I realize this rule is extensively violated. Places such as come under the rule were in existence before the rule was made and we cannot make any rule retroactive. Many others have come into existence since. We have no way of knowing of them in advance. Later, when our deputies find them, property rights and leases are in-

(CONTINUED ON PAGE 47)

WOULD CALL BACK THE OLD RELATIONS

Charles R. Street Deplores Break
Down of Agency-Company
Comity

WANTS FORCES UNITED

Vice-President of the Great American
Comments on Need of All Hands
Cooperating

Charles R. Street, vice-president and western manager of the Great American, prepared an address for the annual meeting of the Michigan Association of Insurance Agents at Muskegon, but was unable to be present. Assistant Manager George B. Segwick read it in his absence. Mr. Street in his paper de-



CHARLES R. STREET
Vice-President Great American

clared that the demoralizing influences of the world war and the high pressure following undoubtedly had produced in the insurance ranks more or less disturbance. He sees the loss of intimate contacts, loss of confidence and in some cases loss of respect. He said that there had been a letting down in the standard of relations between the agents and companies that were enjoyed in the past. In some particulars the companies themselves have been responsible for this change. He said it will take the united efforts of all to restore the mutual good feelings of the older days.

What Conscientious Agent Can Do

The foundation of an agency plant rests in the proper selection of the agent. Even in a community where unfavorable conditions may exist and a high loss ratio abound, the right sort of an agent who is imbued with a sense of responsibility is often a moneymaker. He is a careful underwriter. Mr. Street said that in recent years there had been a tendency to permit the companies to do all the underwriting. Under circumstances of this kind the agent's feeling of pride in his good record and his feeling of responsibility to his company have been impaired. Mr. Street said that the greed for premiums, the feeling that the low loss ratios of 1919 and 1920 would inevitably continue for an indefinite time, the inauguration of rating laws on which the most strained construction possible was placed, and the necessary entry into the field of new men unfamiliar with

(CONTINUED ON PAGE 53)

THE ÆTNA FIRE GROUP

Three Strong Companies
Providing Dependable Insurance
in FIRE and ALLIED LINES
and in CASUALTY and SURETY
PROTECTION

PIELARS of STRENGTH



ÆTNA
(FIRE)
INSURANCE COMPANY
THE WORLD FIRE &
MARINE INSURANCE CO.
THE CENTURY INDEMNITY CO

Finance Official Says All Are Investigated

President E. J. Becker of the National Discount Corporation of South Bend, Ind., has taken exception to a recent article in *THE NATIONAL UNDERWRITER* on the "Drive It Yourself System." The article stated that any person who could make a first payment on a car, which sometimes may be as low as \$20, can take it out on the road with practically no other requirements as to its standing or fitness. Mr. Becker said that the automobile finance companies and dealers make an investigation before the application is accepted. "The standard practice of business," said Mr. Becker, "demands a down payment of a used car of 20 percent." He said that very few dealers would sell a car for as low as \$20 down. In enlarging upon the subject Mr. Becker said further:

"One of the most important units in every finance company, large or small, is its credit department. No transaction is ever accepted for purchase without a very thorough and searching inquiry into the purchaser's financial standing and moral responsibility. Every finance company, even if only of moderate size, must go into the open market for money. No banker will lend the finance company a dollar if it does not maintain a very thorough organization for investigating the credit worth of every automobile purchaser."

"The dealer must know as nearly as it is humanly possible to know that the purchaser is going to honor his obligation. He has undertaken a grave responsibility under his endorsement to the finance company. He would be incredibly foolhardy if he did not investigate the purchaser before he attached his endorsement to the promise-to-pay."

HAIL SEASON BROUGHT NO PROFIT THIS YEAR

The hail insurance season has ended and it has been very disastrous. The companies writing a large volume of business will show considerable loss. The worst record is in Kansas, although in some of the northwestern provinces of Canada the loss ratio has been very high. Destructive storms took place in Saskatchewan and Alberta. Some companies had a very high loss ratio in Oklahoma. Altogether the hail season has been a very shaky one for all companies. It has been difficult to underwrite the business to guard against hail areas because the unexpected has happened in a large number of cases.

The best informed men in the hail business say that the general average loss ratio this year will be between 80 and 85 percent. In Kansas the loss ratio will run above 100 percent. In the Canadian provinces the loss ratio will be hovering around 100 percent. The two Dakotas and Minnesota came out very well at the close of the year. There is some hail insurance on flax and corn, but the losses have not been heavy. Altogether the season has been a very disappointing one.

Ellis Outlines Plan

NEW YORK, Sept. 19.—Local agents throughout the entire country, and notably in the middle west, are keenly interested in the public relations program of the National Board, appreciating that its carrying out will serve to break down sales resistance and that the local representatives will derive the initial benefits therefrom. W. W. Ellis, assistant to the general manager of the National Board, outlined the salient features of the new program to members of the Pennsylvania Association of Insurance Agents at their recent convention at Hazelton, and addressed members of the Missouri association in the same connection when they meet at St. Louis, Sept. 13-14.

KANSAS RATING LAW EXPLAINED BY BAKER

TALKS TO CANADIAN MEN

State Insurance Commissioner Speaks
Before the Dominion Superintendents
At Their Annual Meeting

REGINA, SASK., Sept. 19.—At the annual meeting of the Canadian insurance superintendents, Insurance Commissioner W. R. Baker of Kansas gave a talk on the Kansas rating law. He said that prior to the enactment of the rate law the conditions in the fire insurance business were very unsettled. The owners of extensive properties were granted preferential rates. Competition, he declared, was the chief element in fixing charges for fire insurance and rebating was openly resorted to by agents. The law is 19 years old. Its constitutionality has been passed on by the United States Supreme Court. Superintendent Baker gave the main features of the law. He said that during his incumbency in office he had found that the



MAJ. WILLIAM R. BAKER
Kansas Superintendent

Kansas Inspection Bureau which makes the rates had extended full cooperation to his department as well as to the municipal governments.

Companies Contest the Order

The order that brought the constitutionality of the act before the United States Supreme Court was issued Sept. 1, 1909. An action was instituted by the German Alliance which was carried up. Not until 1922, was there another general order based on the rating law. On Jan. 20, of that year the commissioner published an order adjusting rates to become effective Mar. 1. It was immediately contested by the companies. It was carried on appeal to the Kansas Supreme Court. The United States Supreme Court denied the application of the company for a writ of certiorari. Following this each of the companies filed an action against the commissioner in the federal district court alleging the unreasonableness of the order as to it individually. These actions, about 150 in number, are now pending in the lower federal court.

Citizens Dependent on Indemnity

In concluding his paper, Superintendent Baker said: "What the final outcome of the Kansas rate litigation, and the similar litigation in Missouri, may be I am in no position to say. What effect upon the business will follow a final determination of the rate order in favor of the state can be ascertained only when that determination is had. "If it be disastrous, as some insist, if it should throw the business into tur-

Home-owners and House-breakers



THEFTS will be fewer if house-holders will observe some simple rules which agents can pass on to their assured. The following are among the more important:—

When the family is at home

Don't fail to securely lock all doors and windows before retiring for the night. Front doors should be equipped with chains and these should be kept on at all times. If in doubt, open the door only with chain on.

Don't admit into your home any stranger claiming to be an electric, gas, or telephone employee, a salesman, or other legitimate caller, without proper identification.

Don't fail to telephone the police in case you find your home has been entered by a thief. All that is necessary is to call the Central Operator and say, "I want a policeman at number so-and-so, such-and-such a street".

When the family is absent

Don't fail to leave all doors and windows securely locked.

Don't permit the house to remain wide open, even if your absence is to be for only part of a day.

Don't allow mail, daily papers, milk bottles, or other articles to accumulate at your door for any number of days, as this is an indication that your home is unoccupied and unprotected. Have some friend or neighbor take such things in for you.

Don't fail to have your property regularly inspected when absence is extended over a period of weeks.

Don't fail to investigate thoroughly any persons to whom you may rent, for, if a loss is caused by any such person, there is no liability under the policy for such loss.

Servants

Don't employ servants without investigating them fully. A mere written reference may be stolen or forged.

Don't talk about your money or other valuables in the presence of servants.

Don't permit keys to lie around so that they can be taken out to be duplicated and be sure to relieve servants, immediately upon their leaving your employ, of all keys in their possession.

N^o 7

of a series of advertisements having to do with the Agent's part in saving Life and Property



A reduced number of losses means Lower Rates

Indemnity Insurance Company of North America

PHILADELPHIA

**Specialists in the Securities of the
FIRE INSURANCE COMPANIES
under the management of
CORROON & REYNOLDS, INC.**

We recommend for investment and price enhancement the stocks of this progressive group of companies at present market levels:

**American Equitable Assurance Company
of NEW YORK**
Capital - \$2,000,000

Brooklyn Fire Insurance Company
Capital - \$1,000,000

**Bronx Fire Insurance Company
of the CITY OF NEW YORK**
Capital - \$1,000,000

**Knickerbocker Insurance Company
of NEW YORK**
Capital - \$1,000,000

**Merchants & Manufacturers Fire Insurance Company
of NEWARK (1849)**
Capital - \$1,000,000

New York Fire Insurance Company (1832)
Capital - \$1,000,000

**Sylvania Insurance Company,
PHILADELPHIA, PA.**
Capital - \$1,500,000

**Republic Fire Insurance Company,
PITTSBURGH, PA. (1871)**
Capital - \$600,000

BOUGHT—SOLD—QUOTED

Information and Circulars Upon Request

AMERICAN INSURANCE STOCKS CORPORATION
W. WALLACE LYON, President
51 East 42d Street New York

moil, it is to be regretted. The state, in its effort to regulate rates, must realize the dependency of its citizens upon the indemnity afforded by the fire companies.

"I believe that regulation of fire rates by government is proper and is essential to the public interest. If rates are to be determined by competition, then the law of the 'survival of the fittest' must apply and in that struggle the smaller, younger, less efficiently managed carriers must fail and in their failure occasion loss to the public. And yet state regulation must of necessity be reasonable and sensible. The carriers are entitled to the fullest consideration of their rights.

Effect of Arbitrary Administration

"A fair, impartial administration of a statute similar to the Kansas rating law need not violate those rights. An administration arbitrary, autocratic, hedged by political consideration can do irreparable harm. Difference of opinion can exist without precipitating a cataclysm and I believe that the final solution of the problems that have arisen as a result of the wholesale application of the statute to fire rates in Kansas will preserve to the public their full measure of protection as against excessive charges and to the companies assurance of reasonable and adequate rates."

**ACCEPTING ARBITRATORS'
AWARD CONCLUDES CASE**

The "Aetna Fire Messenger" reports a case in which resort to arbitration of the amount due as the result of a fire loss cost the company considerably more than would have been paid had arbitrators not been asked to pass on the amount due from the loss. After the arbitrators concluded their part of the matter a reliable contractor whose operations were safeguarded by adequate bonds notified the insurer that he would restore the burned building to its original condition for an amount thousands of dollars smaller than amount awarded the assured by the arbitrators. However, the court ruled that since the assured and the insurer had accepted the arbitrators' award, the court's ruling was binding. In a similar case a court has ruled:

"If the company does not elect to rebuild, but is, nevertheless, dissatisfied with the amount called for by the proofs of loss, it can call for an appraisal, and the question is tried before arbitrators selected by the parties, as provided by the policy, and the sum so ascertained as due the assured is payable in money within 60 days after the award is made. The policy does not contemplate that, after a contest as to the amount due, the company still has in reserve the right to rebuild. It is a fair construction of the policy that a resort to arbitration by the company is an election to make payment in money."

Wilkinson Organizes Life Company

G. W. Wilkinson, secretary and general manager of the Wisconsin Automobile of Monroe, Wis., is organizing the Wisconsin Standard Life, a mutual, legal reserve company. A number of Wisconsin automobile agents have desired to have a life company. The new company will be under the same management as the Wisconsin Automobile.

Will Meet Grand Officers

The Indiana Blue Goose will give a dinner in honor of Most Loyal Grand Gander J. Chas. Harris of Los Angeles, and Grand Welder of the Goose Quill Paul E. Rudd of Milwaukee, on Friday evening of this week in Indianapolis. Mr. Rudd once traveled in Indiana for the Aetna and will be welcomed by old friends. It is planned to have an initiation of goslings. Mr. Harris and Mr. Rudd will leave Indianapolis Saturday morning.

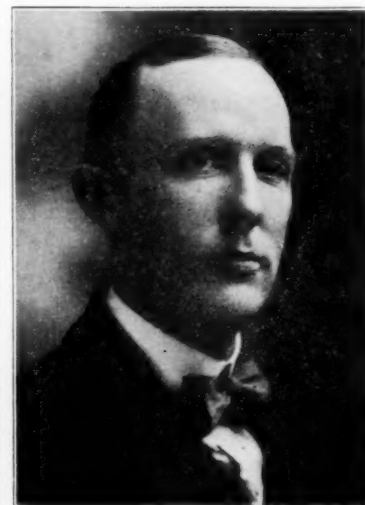
**FEATURES OF INTEREST
AT IOWA CONVENTION**

MORRISON AT OPEN FORUM

**J. R. Anderson of Cedar Rapids, Gave
a History of the Organization,
Hitting High Spots**

The annual convention of the Iowa Association of Insurance Agents at Cedar Falls last week was interesting from many points of view. Iowa can always be depended upon to have a spirited meeting.

Every sort of question was brought up at the open forum presided over by S. T. Morrison of Iowa City. Dual agencies, bank agencies, advertising, farm business, the cut rates of mutuals on dwellings and just about everything else that is bothering agents every week came in for some comment. In addition a number of questions were raised and answered. There was much comment on the question, "Can a loss be collected from a company not licensed



**S. T. MORRISON
Iowa City, Ia.**

in the state?" John S. Cutler of Shenandoah said that in such a case suits cannot be brought in a civil court, but the filer of the suit must go to the state in which the company has its home office. Further, no adjuster, either resident in Iowa or outside of it, can attempt to handle a loss in such a company. O. J. Davis, Iowa state agent of the Home, said that agents are legally liable when representing unauthorized companies and that judgment can be secured against them.

Lange Says Sky Is Limit

Mr. Cutler said that business in Iowa is being written by mail by agents in other states. He cited the case of one agency in Minneapolis that has been particularly active in this direction.

There was a roar of laughter when the question was asked, "Is there a limit to the number of agents a company may appoint in any one city?" Otto F. Lange of Dubuque answered, "Yes, the number is limited by the population of the city."

Anderson Read History

A short history of the Iowa association was read by Joseph R. Anderson of Cedar Rapids, secretary-treasurer. He said he felt that resume of the association's early days was in order, owing to the fact that at the Cedar Falls meeting the Iowa association became 21 years old. It was organized March 18, 1907, at which time W. B. Flickinger, now the western manager of the Philadelphia Fire & Marine, was invited to Des Moines to confer with the agents over the advisability of organizing a state association. What Mr. Flickinger

had to say aroused so much enthusiasm that it was decided on the spot to create an organization and B. F. Kauffman of Des Moines was elected president, B. J. Baird, secretary, and H. H. Lampd, chairman of the organization committee. The first meeting was held June 11-12 of the same year at Des Moines. Today the organization has a membership of 236, and is stronger and more influential than ever in its history. Mr. Anderson gave the names of the presidents who had served as heads of the association and the various cities in which annual meetings have been held.

Executive Committee Report

In his report as chairman of the executive committee, Clyde H. Kissick of Albia told of the activities of the

executive body during the last year. He said that a legislative committee had been organized with one member from each congressional district. The executive committee named eight regional vice-presidents from strategic points throughout the state who were of great assistance in keeping local interest aroused. He explained that a membership drive was put on during the year in cooperation with G. W. Scott, field representative of the National association.

During all of the first day there was a heavy fall of rain which interfered with the entertainment program. The golf tournament, the boat ride and the automobile tour of the city had to be abandoned, because of the steady downpour.

CHANGES IN THE FIELD

BRICKLEY SUCCEEDS KEYES

Former Royal Exchange Special Agent Joins Stuyvesant in New England Field

John T. Keyes, who has been in the New England field for the past three years as special agent for the Stuyvesant of New York, has resigned to enter the brokerage business. He began his career with the Liverpool & London & Globe in Boston and for five years before going to New England was with the Stuyvesant in New York, New Jersey and Pennsylvania.

Mr. Keyes is succeeded by Parker A. Brickley, who has been special agent and engineer with the Royal Exchange in the New England field. He grad-

uated from Harvard in 1919 and joined the Royal Exchange after some years with John C. Paige & Co. and Kaler, Carney, Liffier & Co.

S. L. Kerrigan

S. L. Kerrigan, formerly an examiner in the New York office of the Commercial Union for five years, succeeds Ethan S. Willman as special agent for the company in Des Moines, with offices at 543-5 Insurance Exchange building.

Ralph B. Rasmuson

Ralph B. Rasmuson of Minneapolis, special agent of the Travelers Fire in Minnesota and the two Dakotas, has resigned. Mr. Rasmuson was formerly in the local agency business at Thief River Falls, Minn.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

HANOVER TO INCREASE CAPITAL

The board of directors of the Hanover recommend that an increase in the capital stock may be made from \$2,500,000 to \$3,000,000 by issuing 50,000 additional shares at \$10 par value each. One-half of the increase will be in the form of a 10 percent stock dividend, conditioned on stockholders waiving their right of purchase in the other half of the proposed additional capital to be set aside for sale to employees and agents. There have been numerous requests made on the part of agents, especially to buy Hanover stock.

The Hanover has made a conspicuous success under the administration of President Charles W. Higley. Its Jan. 1 statement showed assets, \$14,021,320; reinsurance reserve, \$4,966,032; net surplus, \$6,025,998; premium income, \$4,957,499; total income, \$5,434,561; losses, \$2,299,865; total disbursements, \$4,770,549. It has been uniformly successful in its operation.

REPORT ON EXAMINATION

The New York department has reported its examination of the Transportation Reinsurance. The total assets of the company on June 30 are shown at \$2,518,805. The liabilities were \$27,537, leaving a net surplus of \$1,491,267 above the \$1,000,000 capital. The Transportation Reinsurance commenced business on May 19. On June 30 it had net premiums in force of \$25,176. Most of this was on aircraft risks.

TO RAISE ADDITIONAL CAPITAL

The Jefferson Fire of Newark, which started business early this year with \$400,000 capital and \$600,000 net surplus, has announced that the remainder of its \$1,000,000 of authorized capital will have been obtained in the near future, and also \$900,000 more surplus. The com-

pany is operating in New Jersey, New York, Pennsylvania and Massachusetts.

NEW YORK CITY LOSSES

New York City's fire loss record for the first eight months of the year is still making a favorable showing, according to figures of committee on losses and adjustment of New York Board. The decrease thus far shown this year is nearly 20 percent in the aggregate amount of the losses handled by the committee, which constitute about two-thirds of the entire losses. On this ratio the city's entire fire loss for the first eight months of 1928 amounts to \$12,278,000, as compared with \$15,202,000 for the same months of last year.

ROYAL'S ASSISTANT MANAGER

Directors of the Royal have appointed J. B. Welson accident manager at the home office. He has been assistant secretary of the Provident Accident and White Cross Insurance Company since 1920.

AS SEEN FROM CHICAGO

ERICKSON CLUB WINNER

The fall golf tournament of the Insurance Club of Chicago was held Sept. 13. Ray Erickson, manager of the Twin City agency, won first prize with a score of 87 gross. J. Earl Fleming, secretary of Lunde & Buswell, won first low net with 88 gross score less 17 handicap. Other prize winners were T. C. Anderson, second low net; R. L. Chaloner, second low gross; Louis J. Fohr and C. E. Shearer. The prizes were presented after dinner. A motion was made and carried to have another tournament Sept. 27 at Columbian Country Club.



Gain the Full Benefits of ATLAS Specialization!

Yes, take full advantage of the benefits this friendly company offers you, for that is your best way to increase your business and your profits.

Gain the full advantage of the ATLAS agency contract—that "different" contract that gives you remuneration in exact proportion to the quality of your work.

Gain the full advantage of writing all coverages—fire, theft, P. L., P. D., collision, tornado, plate glass—all in one ATLAS policy.

Gain the full advantage of ATLAS service—the immediate action on claims and prompt settlement of losses.

Gain the full advantage of the friendly and interested help and assistance every member of this company offers you.

Gain the full benefits of ATLAS specialization for your agency—for ATLAS cooperates with you in making for your greater success.

This is the sixth and last advertisement in this series. Other advertisements follow every two weeks.

Atlas

Casualty Company

EXECUTIVE OFFICES
Fort Wayne, Indiana

OPERATING IN INDIANA, ILLINOIS, OHIO, MICHIGAN,
MISSOURI AND PENNSYLVANIA



The Impassable Wall

FIRE can destroy the four walls, the floors, the physical elements of a building.

But the landlord's income is always protected against its greedy fangs by a Rent Insurance Policy. The property owner is shielded from the extra cost of temporarily renting new premises by a Rental Value policy. And the holder of a valuable lease rests secure behind the protection of a Leasehold policy.

Most important of all, these policies form an impassable wall that protects the business reputation of the agent. When the fire has died down, the agent whose foresight provided this complete coverage wins the gratitude and respect of his client.

Which is an invaluable reward for the small effort necessary to properly sell the various forms of Rent Insurance.

STAR
Insurance Co.
OF AMERICA

Executive Offices: 1 Pershing Square
Park Ave. at 42nd St., New York, N. Y.

Pacific Coast Dept., San Francisco

THE COMPANY WITH THE L. & L. & G. SERVICE

Fred Krueger is in charge of arrangements.

The club will hold its next business meeting Sept. 25 at the club rooms in the Great Northern Hotel. This meeting will open the fall membership campaign, the winter bridge and bowling tournaments and also it is expected that the educational schedule will be completed.

EXCHANGE SECTIONS CONNECTED

The third floor passageway between the Insurance Exchange and the Insurance Exchange South has been opened to tenants of the buildings and others who use the buildings. Other passageways will be opened soon. Hitherto, those wishing to pass from one part of the building to the other have had to use the sidewalks outside the structure.

JAMES WINS GOLF TOURNEY

Ralph James was high gross winner and therefore winner of the office and Founder's cups in the annual Marsh McLennan golf handicap. Each player's handicap for the annual tourney is based either on his five best scores for the year or is identical with his club handicap. Other winners, in the order named, were Messrs. Haughton, Jack, Throckmorton, Edwards, Draper, Houck and Foss.

ROYAL WINS PENNANT

By winning 16 games and losing none the team representing the Royal in the Insurance Baseball League won the league championship this year. Three teams, representing Marsh McLennan, the Kemper agency and the North America, tied for second place, each losing three games.

RICH TRAVELS BY AIR

Clarence A. Rich, manager of the Underwriters Adjusting Company of Chicago, has made use of the airplane several times recently visiting the company's branch offices. Last week he went to Minneapolis from Chicago by airplane. He has made a number of trips of this kind that have saved him considerable time. Mr. Rich believes that business executives will make very much more use of the airplane in the future as it is possible to save frequently as much as a business day when the airplane is used as opposed to the railroad.

ILLINOIS DIRECTORY ISSUED

THE NATIONAL UNDERWRITER has gotten out the 16th edition of the Illinois insurance directory. It contains a complete list of all the insurance companies licensed in the state, together with their officers, recent financial exhibit, etc. Every city and town is listed, giving the names of the agents and companies they represent. In Chicago there is a separate department giving all the insurance information regarding that city. The Illinois insurance directory is one of the most important state hand books gotten out by THE NATIONAL UNDERWRITER. It is a complete insurance reference book of the state. There is a digest of the Illinois insurance laws, directory of general agents, state and special agents, etc.

USING A WEAK CONCERN

It is found that the Royal Mutual Fire Underwriters of Fort Worth, Texas, is being placed by a surplus line agent of Chicago. Inquiry at the Texas insurance department indicates that this concern is just barely complying with the law. Its home office force consists of a man and a girl. It is a new outfit and there is no record of it in any of the official insurance guides. It is not licensed in Illinois.

NEWCOMERS WELCOMED

The Alpha Chi Epsilon fraternity in Chicago, composed of the young men who are taking the fire insurance course in Northwestern University, gave a smoker at the fraternity house Saturday night in Chicago to the new men who are becoming members of the fraternity

and are entering the course. B. M. Draper of the Hartford, president of the fraternity, was in charge. Talks were made by R. T. Nelson of the Chicago Board, former instructor in the insurance course, and Mr. Holmes of the Western Actuarial Bureau, who is an instructor. The new men entering the fraternity are: John A. Zimmer, Tacoma, Wash., Great American; James H. Hazard, Sioux Falls, S. D., Aetna; Walter W. Rouse, Topeka, Kan., Aetna; John Borth, Winona, Minn., Hartford; Charles W. Martin, Omaha, Westchester; Wm. E. McNally, Scuyler, Neb., North America; Merland T. Howes, Denver, Royal; Dean Lightfoot, Des Moines, Springfield; Edward W. McDowell, Fort Scott, Kan., North America.

INSURANCE STOCK QUOTATIONS

H. W. Cornelius of the Chicago investment firm of Lewis, Dewes & Co. gives the following insurance stock quotations:

Stock	Par	Bid	Asked	Div. per Share
Aetna Cas.	100	1225	1250	\$12.00
Aetna Fire.	100	850	860	24.00
Aetna Life.	100	900	910	12.00
Agricultural.	25	130	145	4.00
Allemania.	50	330	350	10.00
Alliance, Pa.	10	75	79	2.00
Amer. Ali.	100	605	...	16.00
Amer. Auto.	10	75	...	2.00
Amer. Drug.	25	83	86	3.00
Amer. Equit.	5	34	37	1.50
American, N. J.	5	29	31	1.00
Amer. Re-Ins.	10	66	68	3.00
Amer. Res.	10	90	95	3.00
Amer. Salam.	50	73	77	2.50
Amer. Surety.	50	285	292	12.00
Automobile.	100	445	455	...
Balt. Amer.	10	88	90	1.80
Bankers Indem.	5	23 1/2	24 1/2	...
Bankers & Ship.	100	550	565	18.00
Boston.	100	1275	...	18.00
Brooklyn.	25	103	109	...
Buffalo.	100	450	...	13.00
Camden.	5	32	34	...
Carolina.	10	66	68	1.40
Cent. West Cas.	50	66	72	2.00
Chicago F. & M.	10	17	18	...
City of N. Y.	100	605	...	16.00
Colonial States.	10	27	30	...
Columbian Natl.	25	18	22	...
Commercial Cas.	10	51	55	1.60
Commonwealth.	100	750	...	20.00
Constit. Indem.	10	29	34	...
Continental Cas.	10	72	73	1.60
Continental.	10	83	85	2.00
Detroit F. & S.	50	67	71	4.00
Detroit F. & M.	100	280	300	10.00
Detroit Natl.	25	18	23	1.00
Eagle Fire.	20	90	97	4.00
Excelsior.	5	12 1/2
Federal of N. J.	100	1150	1300	20.00
Fidelity & Cas.	25	193	200	5.00
Fidelity & Dep.	50	285	295	8.00
Fidelity-Phenix.	10	88	90	2.00
Fire Assn.	10	48	51	2.50
Fireman's Fund.	25	115	120	5.00
Firemen's N. J.	10	47 1/2	50	2.20
Franklin Fire.	25	400	...	8.00
General Surety.	25	140	150	...
Georgia Casualty	10	23	25	1.20
Glens Falls.	10	61	63	1.60
Globe & Rut.	100	2650	...	44.00
Gt. Amer. Cas.	25	15	20	...
Gt. Amer. Indem.	10	78	84	...
Gt. Amer.	10	52 1/2	54	1.60
Great Lakes.	10	11	13	1.00
Guaranty Fire.	100	215	225	10.00
Guardian Fire.	25	115	120	5.00
Halifax.	10	47	49	.60
Hamilton.	50	350	400	4.00
Hanover.	10	86	88	1.00
Harmonia.	10	79	81	1.40
Hartford Fire.	100	850	860	20.00
Htfd. St. Bldg.	100	780	800	18.00
Henry Clay.	10	11 1/260
Home of N. Y.	100	545	560	20.00
Homestead.	10	44	48	.60
Hudson Cas.	5	9	10 1/2	.10
Import. & Exp.	25	86	90	4.00
Independ. Indem.	10	30	32	.50
Independ. Fire.	10	19	24	.60
Ins. Co. N. Amer.	10	76	78	2.00
Iowa Natl. Fire.	100	160	...	8.00
Lincoln, N. Y.	20	90	95	4.50
Lloyds Pl. Gl.	100	265	285	14.00
Maryland Cas.	25	160	166	1.85
Mass. Bonding.	100	550	600	12.00
Merchants, Com.	25	350	370	8.00
Merchants, Pfd.	100	126	...	7.00
Mechanics.	25	100	...	2.50
Merchants, R. I.	50	115	125	...
Merch. & Manuf.	5	20	25	...
Metropolitan F.	10	70	...	1.00
Milwaukee Mech.	10	48	51	1.80
Mohawk Fire.	25	50	54	...
National Cas.	10	56	57 1/2	1.20
National Fire.	100	1200	...	25.00
National Liberty	5	104	106	...
National Union.	100	335	350	12.00
National Surety.	100	305	307	10.00
New Amster. Cas.	10	73	75	2.80
New Brunswick.	10	57	59	...
New England F.	10	50	55	...
New Hamp. F.	100	540	560	16.00
New Jersey.	20	66	72	1.80
New York Cas.	25	100	103	4.00
Niagara Fire.	25	135	142	...
Northern.	25	130	140	3.75
North River.	25	340	355	7.75
N. W. Natl. Wis.	25	200	215	...
Occidental.	10	27	30	...
Pacific, N. Y.	25	170	...	4.00



Annexation of Hawaii to the United States in 1898

ANNEXATION
Negotiated with President Harrison; withdrawn by President Cleveland; brought up by President McKinley. Thus was Hawaii buffered around before finally being admitted into the Union by a joint resolution passed July 7, 1898.

Previous to this time the Hawaiian Islands were constantly in a turmoil of internal strife and warfare. Various governments were set up and subsequently deposed.

These islands, known over a century ago as the Sandwich Islands, today contain several Home agencies, invaluable exponents of our world wide agency system.

**THE HOME
INSURANCE COMPANY
NEW YORK**

—Seventy-fifth Anniversary Year—

Stock	Par	Bid	Asked	Div. per Share
Pacific Indem....	50	210
Peoples Nat. Fire	10	63	66	1.25
Philadel. Natl....	10	24	27	...
Phoenix.....	100	825	835	20.00
Preferred Accl....	100	560	580	12.00
Presidentl. F.&M.	25	29
Prov. Wash.....	100	740	750	16.00
Public Fire, N. J.	5	26	29	...
Reliance, Pa.....	10	26	29	1.20
Rhode Island....	100	340	...	12.00
Rossia.....	25	190	192	6.00
Seaboard Surety..	10	20	23	...
Security, Conn....	25	125	132	3.00
Southn. Sur., N. Y.	10	37 1/2	39	1.60
Springfield F.&M.	25	220	230	4.00
St. Paul F. & M.	25	206	214	4.00
Standard Accl....	50	325	375	6.00
Stuyvesant, N. Y.	100	310	320	6.00
Sylvania Fire....	10	27	30	...
Transp. Indem....	10	22	25	...
Transportation....	25	39	44	...
Travelers.....	100	1675	1690	22.00
U. S. Fire, N. Y.	10	111	116	...
U. S. Casualty....	100	425	435	10.00
U. S. F. & G.....	50	490	498	10.00
U. S. Mer. & Ship.	100	455	470	8.00
Universal.....	25	80	86	3.50
Victory.....	10	26	29	1.20
Virginia F. & M.	25	130	145	4.50
Westchester Fire	10	101	105	2.50

*Rights 3-4
*Rights 8-9
*Rights 8-9 1/2

STEBBINS ON TRIP FOR GENERAL AGENTS' BODY

Herbert Cobb Stebbins of Denver, chairman of the executive committee of the Association of Fire Insurance General Agents, who is on a trip in the east and will attend the annual meeting of the Western Union, will swing around the circle, visiting some of the southern general agencies, tarrying a while at New Orleans and then going on to Little Rock to confer with J. Gilbert Leigh, president of the association. It may be that a meeting of the officers and members of the executive committee will be held at Little Rock while Mr. Stebbins is there. There will hereafter only be one meeting a year of the Association of Fire Insurance General Agents but the executive committee and officers will meet in mid-season.

Following the recent trip of Mr. Leigh through the Pacific northwest, Rocky Mountains field and other points, there have been a number of accessions to the membership.

Lorenz Schmidt Dead

Lorenz Schmidt, secretary-treasurer of the Indiana German Fire from 1873 to 1912, when it sold out and discontinued business, died at his home in Indianapolis Sunday night of pneumonia. He was interested in a number of business enterprises in Indianapolis and was actively identified with his son, Oscar Schmidt, in the firm of Lorenz Schmidt & Sons, dealers in real estate and insurance. He was 82 years old.

Pacific Fire Not Represented

The Pacific Fire of New York states that the company is not represented in the Associated Underwriters Agency of New Albany, Ind. It took up its contract in January, 1926. This outfit is circularizing the country at large, writing insurance in unauthorized companies.

Set Inspection Dates

MILWAUKEE, Sept. 12—Tentative dates for inspections were set this week by the executive committee of the Wisconsin Fire Prevention Association. The first inspection of the season, according to Harvey Girard, president, will be at Hartford, on Sept. 25. Rhinelander will be inspected on Oct. 18 and Shawano on Nov. 15.

Pacific Coast Marine Change

SAN FRANCISCO, Sept. 19.—W. R. Arnold has been appointed assistant underwriter to George H. Ismon of the joint marine departments of the Norwich Union and Phoenix of London. Mr. Arnold, who has been with the companies for the past four years, succeeds T. B. Randall, who has resigned to manage the marine department of Ceperley Rounsefell & Co., at Vancouver.



COVERAGES EFFECTED

FIRE,
AUTOMOBILE,
TORNADO,
RENTS,
LEASEHOLD,
EXPLOSION,
RIOT and CIVIL
COMOTION,
PROFITS AND
COMMISSION,
USE & OCCUPANCY

AUTOMOBILE FULL COVERAGE

If you're looking for proof of a company's standing,

—If you want to be positive of a company's financial strength and reliability,

—If you value the prestige secured by association with an age-old name and world-famous institution,

If all these things mean anything to you, just consider the slogan which runs across the top of this page.

Almost any question you might like to ask about The Patriotic's standing, strength and reliability is answered by the simple statement—

"Back of the Patriotic is the Sun"

PATRIOTIC INSURANCE COMPANY of AMERICA

HEAD OFFICE
55 FIFTH AVENUE, NEW YORK

OSWALD TREGASKIS, President

WESTERN DEPARTMENT
WRIGLEY BLDG., CHICAGO
JOHN F. STAFFORD, Manager

PACIFIC DEPARTMENT
SAN FRANCISCO
C. A. HENRY, General Agent

ATTITUDE OF STATE TOWARD MUTUAL AND RECIPROCAL INSURANCE REVIEWED

Of interest to every local agent is the following article on state regulations of mutuals and reciprocals with reference to school boards' insuring the public property in their control in any but stock companies. The article is from "The Hartford Agent," organ of the Hartford Fire:

When the news of the decision of a trial court at Erie, Pa., holding that the insuring of public school property in a mutual fire insurance company was in violation of the constitution of Pennsylvania, was published in the June, 1928, issue of "The Hartford Agent," a great deal of interest was created. In that case the court ordered a permanent injunction, and the opinion ended with the words:

"... it is ordered and decreed that a perpetual injunction issue, restraining the school district of the city of Erie and its directors, defendants herein, from entering into a contract of fire insurance in any mutual company on the form of policy submitted."

As soon as this magazine reached the field, local agents began writing in for copies of the provisions of the constitution of their respective states. "The Hartford Agent" is pleased to be able to say that it is in position to furnish this valuable information. Address your letter to the editor.

Loans Forbidden in 30 States

There are 30 states where the constitution forbids the loan of the credit of the state, or subdivisions thereof, to any corporation. They are: Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Indiana*, Kentucky**, Louisiana, Maryland*, Michigan, Mississippi, Missouri, New Jersey**, New Mexico, New York, North Dakota***, Oklahoma, Oregon, Pennsylvania, Idaho, Illinois, Virginia, Montana, Nevada, Washington, Texas, Utah and Wyoming.

*The constitutional prohibition extends to forbidding the loan of the credit of the state or any county, but goes no further. In Indiana "It seems that the state board of accounts, a body which has charge of auditing the accounts of the state and all the political subdivisions thereof, has taken the position that the trustees of public property have no right to bond their principals to membership in a mutual insurance company, and thereby incur liability for assessments." In Maryland, the code provides (Section 54, Bagley's Ann. Code of Md. [1924], Vol. 1, p. 108-9), "No county . . . or loan its credit to or in aid of any associations, or corporation, unless authorized by an act of the general assembly. . . ."

**In spite of the constitutional prohibition, the courts have held that it is

not unlawful to insure school property in a mutual fire insurance company.

***The constitution allows the state or subdivisions thereof to engage in any line of business save the liquor industry, but forbids the loan of credit.

In Kentucky, the case of Dalzell vs. Bourbon county board of education, 193 Ky. 171, 233 S. W. 360, was decided in 1921.

This was a suit by Mr. Dalzell, a citizen and a taxpayer of Bourbon county, against the board of education of the county, and also the Hurst Home Insurance Company, a cooperative or assessment insurance company. The company had issued policies covering certain school property, and plaintiff sought to enjoin the board from procuring further policies of insurance from said Hurst Company. The Court of Appeals ruled against the plaintiff.

In New Jersey, the case of French, receiver of the Millville Mutual Marine & Fire vs. The Mayor and Common Council of City of Millville, 66 N. J. Law 392, 49 Atl. 465, was decided by the Supreme Court of New Jersey in 1901; and the opinion and decision were affirmed by the Court of Errors, without opinion, in 67 N. J. Law 349, 51 Atl. 1109.

The suit was brought on premium notes made by the city of Millville, said city having taken out eight policies of fire insurance in the company. The insurance company had become insolvent, and the receiver had accordingly made an assessment upon the policyholders in order to pay for losses. The defendant, the city of Millville, interposed demurrers to the complaint, the principal ground of reliance being that, by paragraph 19 of Article I of the constitution, (supra) cities were forbidden to loan their credit to corporations, and that this would be violated if the city was compelled to make good its premium notes. A portion was sustained, receiver holding that in that particular form of mutual insurance membership did not render the city in any sense the owner of the stock or bonds which belong to the company, or a holder of stock in the company, within the fair import of the constitutional prohibition.

There is one state, namely, Delaware, where the constitution forbids the loan of the credit of cities, towns, etc., but does not forbid a loan of the state's credit.

There are eight states where the constitutional prohibition against loaning credit extends to the credit of the state only. These states are: Iowa, Maine, Massachusetts, Minnesota, Nebraska*, South Carolina, West Virginia, Wisconsin.

*The Nebraska constitution forbids (CONTINUED ON PAGE 53)

**DAMAGE to
PROPERTY by
AIRCRAFT A
GROWING
MENACE**

**We Issue Policies
Against Such
Loss**



NORTHERN
ASSURANCE COMPANY LIMITED
OF LONDON
80 JOHN STREET, NEW YORK

MINNEAPOLIS FIRE & MARINE INS. CO.

430 Oak Grove Street
Minneapolis, Minnesota

Walter C. Leach, President

F. M. Merigold, Sec'y and Treas.

John D. M. McMillan, Vice-Pres.

A. C. Holmgren, Ass't Treas.

FIRE—TORNADO—THRESHER—AUTOMOBILE INSURANCE

The Hampton Roads Fire and Marine Insurance Company

NORFOLK, VIRGINIA
ON HAMPTON ROADS

Western Department: 1415-222 W. Adams St.

Chicago, Illinois

NATIONAL ASSOCIATION RECORDS BEST YEAR

(CONTINUED FROM PAGE 8)

that should exist in the compensation of the two; as to those non-policy-writing agents now in existence the National association has declared itself in favor of a differential that will permit the policy-writing agent to pay his solicitors and brokers an equal commission with a fair margin of profit above operating costs. We cannot see how any fair consideration of this question can arrive at any other conclusion.

"Formerly it was hard for the agent to secure a hearing on sales problems, even though he is the salesman of insurance. It is not especially easy for him to gain a sympathetic ear now. Knowing he is right, however, he shows perseverance. That strange anomaly which excludes the sales force of insurance from consultation with the manufacturing end of the business, is doomed.

"There is another picture, however, that is not so pleasant to contemplate. It is not national, but it involves a violation of a fundamental principle of company-agency relationship. No immediate solution of the issue is in sight. We refer to the drastic action of the Oil Association in reducing commissions to agents by a rubber stamp notice to 10 percent, placing agents on the same basis of compensation as non-resident brokers. What a strange situation this is! A company organization that has no contractual relations with agents, informs them that their commissions have been cut from 50 to 100 percent. The excuse advanced is that a loss ratio of 89 percent has been encountered since the Oil Association was organized, and that during 1927 a loss ratio of 127 percent was suffered. Why what should be cared for in the rate is being taken out of the compensation of agents is incomprehensible.

"As an organization devoted to the promotion of good and opposition to bad practices in the business, it is logical for us to support company organizations devoted to the same ends. By the co-operation of our members they have been made possible. But there is grave danger if these organizations become so powerful that they summarily reduce the commissions of agents. We are confronted with a challenge to our wisdom in permitting these pools to continue under these conditions.

Settlement Is Seen

"It appears that a wretched situation, in West Virginia is in process of settlement, perhaps not to the entire satisfaction of companies and agents but at least to an extent that permits the business to continue without the disadvantages under which it has been laboring for some months. The settlement of this commission-separation issue means that it will not be necessary for the attorney-general of the state to prosecute a suit which he has brought restraining companies and agents from making effective a contract which the companies last December tried unsuccessfully to force upon the agents.

"Passing from fire insurance, we find in the casualty business another accomplishment which must be chalked up to the credit of organized agents. For some time they have been bringing the attention of the companies to the necessities of small compensation risks. The result of this has been a readjustment in methods of rate making, in which the mutuals participate, whereby the stock companies are no longer penalized in favor of the mutuals through having to accept the small unprofitable risks while the larger ones go to the mutuals.

"This action was important and necessary. It is a grave danger for insurance companies to refuse to write such business as small compensation risks. Employers are required to carry the cover.

"The stock of our principle of conference and cooperation in the settlement of company-agency disputes has taken a great jump upward. It was finally utilized by the companies and the agents in West Virginia. It was used in connection with the small compensation risks, with rebating in the bonding business, and with many other questions too numerous to mention here. Again it has been proven that if both sides to a controversy enter into discussion with fairness and justice in mind, as well as the public interest which is paramount to that of either of the other groups, a settlement of practically any difference may be reached.

"Of late months one issue which threatened and still threatens insurance

has not been receiving so much attention and publicity. That is the effort of the Bank of Italy to apply branch banking methods to the plan of distributing insurance. For the first time, a powerful financial institution has asserted its intention of engaging in insurance through hundreds of its branches and with control of banks in other sections of the country through a holding corporation. This is the bank which threatened, some eight or nine years ago, to compete with insurance agents, leading to the first statement of position by the National association on bank agencies.

"The present campaign of the California association against the Bank of Italy's insurance activity has by no means been abandoned, even though the bank has purchased an insurance company. The end is not yet in sight; neither is victory. But we believe that the California agents will establish the righteousness of their contention.

Qualification Laws Needed

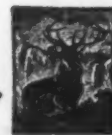
"Two bulwarks upon which an efficient agency system rests are the resident agency and agency qualification laws. This matter was covered in one report



Are you riding along with
the Hartford or just rocking along on your own? Better get
aboard. Hartford's special advertising service issues free
transportation on request.



HARTFORD FIRE INSURANCE CO.
HARTFORD, CONN.



Your Business Must Be Preserved

When your client meets a loss for which he might have been indemnified, an underinsured property owner is going to hold his agent accountable in some way.

Arm your client with true insurable values based upon an authoritative Appraisal* by The Lloyd-Thomas Company. If you do not present the importance of knowing the true values, some other agency which does may encroach upon your business. By incorporating into your service the recommendation of a Lloyd-Thomas Appraisal*, you are not only safeguarding your business, but you are truly looking after the welfare of your clients.

WHAT IS AN APPRAISAL?—It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

ITS ADVANTAGES—1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

The Lloyd-Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES



4411 Ravenswood Ave., Chicago
120 Broadway, New York

Cincinnati
St. Louis
Denver
Washington

Cleveland
Milwaukee
Toronto
Los Angeles

Detroit
Pittsburgh
Minneapolis
Atlanta

Indianapolis
Memphis
Kansas City
Des Moines

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - New York City

FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

last year, that of the secretary who pointed out the absence of these laws from a suggested code of insurance drafted by a committee of the American Bar Association. The protest was carried by him on to the floor of the Bar Association convention last year.

"This code has been referred to the National Convention of Insurance Commissioners. It, in turn, has appointed a committee on the matter and, as late as July 21 of this year, the secretary addressed a letter to the chairman of that committee, pointing out the necessity of including such laws in any insurance code. We look to the commissioners who are now considering both resident agency and qualification laws for favorable action.

"Well may the members feel proud of what they have accomplished through their association, and of the five-year development program which they have launched so auspiciously, with such remarkable initial success. We have at hand stronger means than ever of preserving unimpaired the American agency system and its service to insurance and the public.

"We have today 11,025 members, compared with 9,391 a year ago. Whose thought is not stimulated by the vision of what this association is to be in the future?

"The National Association of Insurance Agents has just closed what was probably the most active year of work since its organization; it stands today a larger, better, more respected and more influential association than at any period in its 32 years' history as a stabilizing influence in the business of insurance. This is no idle boast. The condition is shown by the record, admitted by many and can be demonstrated easily to all open, fair-minded men."

MAJOR OPERATION IS SOMETIMES NEEDED

(CONTINUED FROM PAGE 10)

gether, not only for the regulation and safe-guarding of our common interests, but in the effort to strengthen, to stabilize and to make more secure the entire structure of the fire insurance business in our bailiwick, as well as protection against abuses and discriminations involving the public.

Must Submit to Discipline

To fulfill such laudable purpose necessarily involves submission to discipline which at times may appear irksome for the moment, but which in the great average we believe to be beneficial. The need—or we might be justified in saying—the absolute necessity for some such co-operative effort is so obvious as to be undebatable.

Is there any sound reason why we should associate in the same agency with competitors who admittedly seek such representation with the hope of securing an advantage because they are not under organization restraint or discipline of any sort, and therefore can

and do pay such commissions as their individual judgment may dictate as necessary or advisable to secure the classes of business they consider desirable.

The time tried policy of "separation" has been vindicated often and completely in the past. Its propriety and practical usefulness was never more apparent than at this time when the number of so-called non-affiliated companies is so materially increased. Let us here and now resolve, individually, each for himself, to continue to pursue this well established practice with vigilance and vigor.

MONK TO BE BIG FIGURE AT RAPID CITY MEETING

BOSTON, Sept. 19.—Although resigned from office Wesley E. Monk, former insurance commissioner of Massachusetts, will be an outstanding figure at the meeting of National Convention of Insurance Commissioners at Rapid City.

Although he is attending the convention this year as a layman, his fight and subsequent resignation from his post as a result of the bitter automobile controversy here, have made him almost a martyr in the eyes of his colleagues, and advices received by insurance men here from official sources indicate that he will be the "lion" of the convention this year.

May "Talk Right Out"

His friends in Boston state that he is already unofficially down on the program to tell the commissioners of the country all about the compulsory automobile row in Massachusetts, and that it is quite likely with the primaries in the background he will "talk right out in meeting," and give some of the "real facts," as they put it, as to the situation that finally resulted in his resignation.

Mr. Monk left on the Wolverine Friday afternoon for the convention. He is making the trip in company with Acting Commissioner Arthur E. Linnell. Just before leaving, Mr. Monk said he had not decided on his future plans yet. "I am going to the convention to see the boys and top off my vacation." When asked if he would make any address at the meeting, he smiled and said: "I am not sure yet."

H. G. Guempel, H. A. Howell

Herbert G. Guempel, special agent for the American of Newark, who has been representing the company in southern New Jersey, will return to the home office about Oct. 1, and devote his efforts to northern New Jersey, particularly Essex county.

Special Agent Homer A. Howell, who has been assisting State Agent Reynolds in Florida, will take over the territory being vacated by Mr. Guempel. Mr. Howell will operate from the office which was established by Mr. Guempel, at Fifth and Market Streets, Camden, N. J.

Scottish Union & National Insurance Company

HARTFORD, CONNECTICUT

Assets, \$9,411,332.56

Liabilities, \$5,700,632.72

Surplus to Policyholders, \$3,710,699.84

WRITES

Fire, Tornado, Automobile, Rents,
Sprinkler Leakage, Use and Occupancy,
Explosion, Riot and Civil Commotion

J. H. VREELAND, Manager

J. H. McCORMICK, Secretary

ST. LOUIS ENTERTAINS MISSOURI LOCAL MEN

(CONTINUED FROM PAGE 3)

said that much thought should be given to a qualification law that would assist the insurance business generally without working a hardship on anyone legitimately entitled to sell insurance.

The report of Secretary Wilbur F. Maring, Jr., reflected the healthy condition of the state association under the administration of President Fradenburg. The present membership is 369, an increase of 115 over a year ago.

In his report, Secretary Fradenburg said, "Your officers have endeavored to have spent a good deal of time in assisting the local associations of the state to work out their problems and during the past year new local boards were organized at Trenton, Milan, Excelsior Springs and Moberly, and the local association at Lexington has been revived and is now functioning."

"The local board at Moberly is in my opinion one of the best functioning local boards in the United States. They have 20 members in their association, which means that every legitimate insurance agent in Moberly is a member."

The address welcoming the agents was given by Charles M. Talbert, presi-

dent of the Fire Underwriters Association of St. Louis and the response on behalf of the association by President Fradenburg.

J. A. Giberson Speaks

J. A. Giberson of Alton, Ill., a member of the executive committee of the National association, was the last speaker at the first session. He had been assigned the subject of "Automobile Club Competition and Standard Auto Certificates."

The golf tournament was presided over by Irving Lily of St. Louis and some 60 golfers of more or less ability participated. The winners were: Low medalist, 81 strokes, C. F. Irwin; runner-up, 85 strokes, S. A. Goodwin; third prize to L. W. Garlich, St. Joseph, 87 strokes.

President Talbert of the St. Louis association presided as toastmaster of the dinner and the sole speaker was Daniel J. O'Keeffe of Fort Wayne, Ind., who spoke on "Professional Insurance."

"I know what is passing in the minds of some company officials at the present time," he said, "and I assure you that if you want to prevent your business being wiped out by branch offices of one class after another you must prepare yourself to overcome it. He then stressed the absolute necessity for an

agent to be fully advised on the class of insurance he is selling.

Outlines Advertising Plans

The outstanding address of the session on Friday was that of Herbert D. Condie, president of the Condie-Bray Glass and Paint Company of St. Louis, on "Insurance From the Buyer's Standpoint." In the course of his remarks Mr. Condie told the agents and field men present some things about the insurance business they did not know; displaying an intimate knowledge of insurance that would do credit to the most competent agent.

"The Benefit of Insurance Periodicals to the Local Agents" was discussed by Glen D. Mathews, editor of "The Insurance Magazine," Kansas City, Mo. He told the advantage of an agent keeping in close touch with the development of the insurance business through the information obtainable only in the insurance trade papers.

W. W. Ellis, assistant to the general manager of the National Board, discussed the "Advertising Campaign of the National Board" and told the agents they can participate by securing the aid of the national board in the preparation of local copy and publicity information on insurance matters.

Eugene Harrington of Atlanta, Ga.,

president of the National association, who was en route to the National convention, spoke briefly on the work of that organization and how it benefits the individual agent.

He said that his agency had saved approximately \$500 a year on two items of expense through the better business methods suggestions made by the national body. "It is unwise for us to presume that our business will not be affected by the revolutionary economic changes that are now under way," he continued. "We must protect ourselves against the fate of the corner grocer, the small druggist and other lines of business hit by the national chains."

Give Clients Service

"There is only one way for us to effectively do so. It is to give our clients and companies the most efficient service possible to obtain. There will then be no occasion for them to turn elsewhere for such service."

He added that he could see certain underlying changes coming into the business and that the agents must guard against their being replaced by a more modern and efficient system of transacting the insurance business.

"We must not only safeguard the agent, but the company and the insurance buying public as well," he con-

WE SAVE OUR AGENTS TIME AND TROUBLE

Our agents come to us for service on all classes of insurance. They are not required to do business with numerous different offices.

Here in one office, located in the center of our field, we handle all departments of the general insurance business.

This general agency is a veritable department store of coverages and insurance service. Use our facilities and save time and trouble.

OUR POLICY

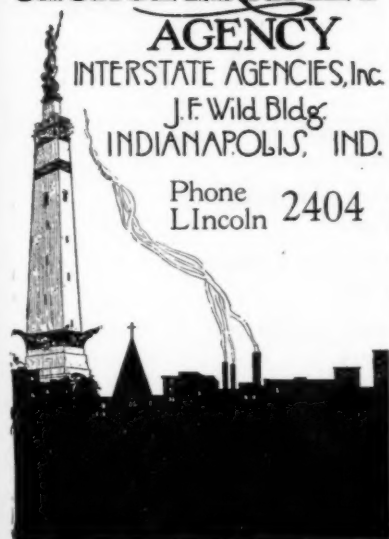
To safeguard and advance the interests of our agents by consistent betterment of our facilities.

GEORGE L. RAMEY
AGENCY

INTERSTATE AGENCIES, Inc.

J. F. Wild Bldg.
INDIANAPOLIS, IND.

Phone
Lincoln 2404



A golden eagle cruising near the ground in search of prey. Our advice to a prospective victim is to lie low.



When You Go After Big Game—Go After It.

IF you want the Automobile Business in your community, equip yourself right and then go after it. Just remember that Big Game Hunters don't bring down eagles with pop-guns. Get a real Automobile Company behind you—one that can back you to the limit. A company that can render you this specialized service is the Universal Automobile—and it will be worth your while to investigate the opportunity it is offering to agents.

UNIVERSAL AUTOMOBILE
INSURANCE COMPANY
A WORLD OF PROTECTION A SPECIALIZED SERVICE
EDWARD T. HARRISON, PRESIDENT
DALLAS, TEXAS

Add to Your Profits from Fire and Casualty by Taking on a Splendid Life Line

THE Largest Mixed Insurance Company in the World recently Established a Life Department. There is a Pronounced Trend in that Direction. Agencies are adding Life to Fire, Casualty, Surety, etc. You, too, may Enlarge your Profits without Increasing Fixed Costs.

The most Satisfactory Life Contract Available is that of the Columbus Mutual—the Company which 20 years ago Eliminated Middlemen and Diverted the Huge Expense of their Maintenance into Savings for Policyholders and Agents. Its System makes possible Low Cost Insurance, Generous Commissions, and VESTED Renewals. There are No Restrictions in Territory. Each Contract is a Direct Home Office Contract—no Intermediaries between. The Agency that Produces gets ALL the Commissions.

Send today for this Distinctive and highly successful Company's Proposition. Write your Name and Address on the Margin of this Advertisement and Forward.

THE COLUMBUS MUTUAL LIFE INSURANCE COMPANY

C. W. Brandon, Pres.



Columbus, Ohio

The LIBERTY INSURANCE COMPANY

HOME OFFICE DAYTON, OHIO

Automobile Insurance—Full Coverage—All in One Policy
Plate Glass, Liability and Accident Insurance
Capital Stock \$250,000—Assets Over One Million
Surplus to Policyholders Over Half Million

Agents wanted in Illinois, Ohio, Missouri, Kentucky, Michigan, Tennessee, Kansas, Indiana, Alabama and Florida. J. R. Jones, Sec'y & Mgr.

PROVIDENT FIRE INS. CO.

Fire and Automobile Lines

ROYAL EXCHANGE
ASSURANCE

THE STATE
ASSURANCE CO., LTD.

CAR AND GENERAL
INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

95 Maiden Lane

New York

tinued. "I am more concerned with the economic stability of the business than the mere temporary gain in commission. We must all work to that end."

Daniel J. O'Keeffe, Fort Wayne, Ind., discussed "Professional Insurance." During the course of his remarks he pointed out the need of proper qualification laws for insurance agents in order to raise them in the public's esteem. He said when insurance was young it was primarily a selling game, but now it has evolved and is considered a necessity. The ordinary buyer of insurance, said Mr. O'Keeffe, has come to look upon the agent as a counselor. He gave some qualifications for the "professional" insurance agent.

Howard A. Blair, chief underwriter of the Aetna in St. Louis, discussed "Developing Casualty Lines." Other speakers and their subjects were: "The Agents' Rating Problems," W. A. Cox, superintendent of the improved risk department of the Missouri Inspection

Bureau; "Problems of the Missouri Audit Bureau," Carl R. Jung, manager; "Problems of the Missouri Inspection Bureau," W. Paul Terry, manager; "The Perfect Local Agent; the Dream of the Field Men" by J. Elmer Ball, state agent Home of New York; "Work of the National Association of Insurance Agents," George W. Scott, field secretary of the National association.

BACKS DEPARTMENT'S RULING

Attorney-General's Office Approves
Commissioner Dumont's Stand on
"Bankers" in Company Title

LINCOLN, NEBR., Sept. 19. — Backed by an opinion of the attorney-general's office, Commissioner Dumont is standing by his previous ruling that no insurance company, not now doing business in Nebraska, which carries the word "Bankers" as a part of its title, can be admitted to do business in the

AMERICAN ALLIANCE INSURANCE COMPANY NEW YORK

STATEMENT JANUARY 1, 1928

CAPITAL

\$2,000,000.00

RESERVE FOR ALL OTHER LIABILITIES

2,017,332.55

NET SURPLUS

4,382,692.33

ASSETS

8,400,024.88

SURPLUS FOR THE PROTECTION OF POLICY HOLDERS

\$6,382,692.33

LOSSES PAID POLICY HOLDERS

\$11,776,952.31

WESTERN DEPARTMENT

C. R. STREET, Vice-President
310 South Michigan Avenue, Chicago, Ill.

REINSURANCE FIRE and CASUALTY

Rossia Insurance Company
of America

The Fire Reassurance Company
of New York

American Reserve Insurance Company
of New York

Lincoln Fire Insurance Company
of New York

The First Reinsurance Company
of Hartford

115 Broad Street Hartford, Conn.

state. The matter came before the commissioner a little while ago, when a New Jersey company which has "bankers" as a part of its name asked for authority to sell policies in Nebraska. When informed of the existence of a law that would not permit this to be done the president of the company urged that this law being a part of the statutes referring to banks could not possibly include insurance companies, and that it should not be employed to bar his company since it was clear from its title that it was an insurance company and not a financial institution.

Assistant Attorney-General Ayres, in an opinion given the commissioner, says that while it is quite possible the legislature did not have an insurance company in mind when it passed the law, the language is comprehensive enough to include such companies. He advised the insurance department to adhere to that rule until such time as the legislature acts to the contrary.

Mr. Dumont will notify the New Jersey applicant of his decision in the matter.

If this applies only to Nebraska organized companies, Mr. Dumont believes the decision is still good, because the constitution forbids granting to foreign corporations anything denied to domestic organization of capital.

SENDING OUT 3,000 BLUE GOOSE GROUP CERTIFICATES

KANSAS CITY, MO., Sept. 19.—This week 3,000 group life certificates are being sent to members of the Blue Goose in the United States and Canada, showing their participation in the master policy. According to E. D. Marr, insurance secretary of the grand nest, this means that \$6,000,000 of life insurance has been written on the 3,000 members. All of this insurance is in force as of July 1.

The order is now conducting an additional campaign as of October 1, under which all those members not in the first group can take insurance at a reduced premium for the third quarter. The object of the second drive is to get in the younger members in order to reduce the average age of the members insured. If the average age can be reduced by Jan. 1 to 45 years, then the organization can get the minimum rate for the entire membership, which will mean a reduction of around 25 percent for the entire group. The present average age is 47.2. According to Mr. Marr it is expected that approximately 4,000 members will be insured by Jan. 1.

PUBLIC FIRE IN RICHMOND AGENCY; NO BRANCH OFFICE

RICHMOND, VA., Sept. 19.—The Public Fire has planted with the Willis, Johnson & Co., agency here. Announcement of the fact was made by W. T. Johnson, member of the firm, at the meeting of the Richmond board last Friday. He made the connection following a conference with representatives of other companies in his office and the arrangement is said to have been satisfactory to them. These companies are the Milwaukee Mechanics, First American, Old Colony and Merchants.

Assured that the Public Fire has abandoned its plan of establishing brokerage branches, the Richmond board is no longer interested in its activities. Recently, it rejected a proposal for its members to broker business with a branch which the Public Fire was planning to open here. The company will pay its agents excess commissions on preferred business.

School Board Action Protested

SAN FRANCISCO, Sept. 19.—The Stockton Insurance Exchange is protesting the action of the school board, which recently placed its entire school business in non-board companies, de-

claring that "inferior insurance" has been contracted for by the school board at a net rate. Loren W. Low, prominent underwriter of Stockton, is enlisting the support of the Stockton Realty Board in an effort to have the \$1,000,000 of business which was formerly placed in 50 companies but which is now handled through one agent equitably distributed. The non-boarders are writing the business at 50 cents for a three-year term, while board rates are 59 cents for high schools and 68 cents for the elementary grade buildings. Mr. Loy points out that the one agent now handling the business represents five small companies, whereas formerly the 50 companies handling the business had combined assets of \$100,000,000.

OPPORTUNITIES

Local Agent with 12 years experience selling fire and casualty lines desires position as Special Agent in eastern Washington and Idaho. References. Address G-65, care The National Underwriter.

Caledonian Insurance Co.

of Scotland

*The Oldest Scottish
Insurance Office*

555 Asylum Street
Hartford, Conn.

Address all Mail to Lock Drawer No. 68

ROBERT R. CLARK
United States Manager
ARTHUR H. F. SCHUMM
Asst. United States Manager

ORIENT INSURANCE COMPANY

of HARTFORD, CONN.

HENRY W. GRAY - President
HARTFORD, CONN.

CHARLES E. DOX, Manager
WESTERN DEPARTMENT

223 W. Jackson Blvd.
Chicago, Illinois

GEORGE O. SMITH - Manager
SAN FRANCISCO

Hotel Directory

When in Lincoln Hotel Cornhusker

300 Rooms

Without Bath, \$1.50 and \$2 per Day.
With Bath,
\$2.50, \$3, \$3.50 and \$4 per Day.

In Des Moines it's The CHAMBERLAIN Hotel

Most Centrally Located
250 Fireproof Rooms

**HOTEL
KINGSWAY**
SAINT LOUIS, MISSOURI

Beautiful Forest
Park right in front.
Away from noise
of the congested
district. Quiet and
exclusive sur-
roundings, conven-
ient to bus and
street car lines.

ROOM and BATH
\$4.00 for TWO

Kingshighway
at West Pine



IF YOU DON'T KNOW,
Look in
THE INSURANCE ALMANAC
\$3.00 per Copy
80 Maiden Lane
New York, N. Y.

A Personal Invitation



WE are proud that the Hotel Hollenden is known among the fraternity as "Insur-

ance Men's Headquarters in Cleveland." We appreciate your business fellows and we want all of you to be boosters for us. If we can do anything to make your stay with us more pleasant, just tell us what. We'll do it, if it's possible.

Sincerely,
Theo. De Witt.

In Cleveland-it's The HOLLENDEN

THEO. DE WITT, Manager
Superior Avenue at East Sixth St.

Hotel Russell-LamSon

Waterloo, Iowa

300 Rooms Fireproof

BREVOORT HOTEL

Madison Street CHICAGO
East of LaSalle

Insurance Headquarters

Brevoort Hotel upholds worthily the best traditions of American hotels famed for hospitality.

CEDAR RAPIDS, IA. HOTEL ROOSEVELT

Rates: Room without Bath with private Lavatory \$1.50 and up. Rooms with Bath, Shower or Tub \$2.50 and up.

E. O. KILL, Mgr.

The A & H Review
IS THE
ACCIDENT AND HEALTH
MAN'S PAPER
\$2.00 A YEAR CHICAGO

THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH, Secretary; HOWARD J. BURRIDGE, Vice-President and General Manager; H. E. WRIGHT and NORA VINCENT PAUL, Vice-Presidents; WILLIAM A. SCANLON, Southwestern Mgr. GEORGE C. ROEDING and O. E. SCHWARTZ, Asso. Mgrs.

C. M. CARTWRIGHT, Managing Editor
HOWARD J. BURRIDGE, Associate Editor
FRANK A. POST, Associate Editor

PUBLICATION OFFICE, Insurance Exchange, CHICAGO. Telephone Wabash 2704
CINCINNATI OFFICE 420 E. Fourth St., Telephone Main 5781. RALPH E. RICHMAN, Manager.
E. R. SMITH, Statistician; ABNER THORP, JR., Director Life Insurance Service Dept.

NEW YORK OFFICE
80 Maiden Lane, Tel. John 1032
GEORGE A. WATSON, Associate Editor
CHESTER C. NASH, JR., Associate Editor

NORTHWESTERN OFFICE, DES MOINES
313 Iowa Nat'l Bank Bldg., Tel. Market 3957
J. M. DEMPSEY, Resident Manager

SOUTHEASTERN OFFICE—ATLANTA, GA.
1517 Fourth National Bank Building
W. J. SMYTH, Resident Manager

DETROIT OFFICE
848 Book Building, Tel. Cadillac 0004
O. M. KOENIG, Resident Manager

SAN FRANCISCO OFFICE:
105 Montgomery Street Tel. Kearny 3399, FRANK W. BLAND, Resident Manager
Entered as Second-class Matter February 24th, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879

Subscription Price, \$4.00 a year; in Canada, \$5.00 a year. Single Copies 20 cents
In Combination with Life Insurance Edition, \$5.50 a year; Canada \$7.50

Member of

AUDIT BUREAU OF CIRCULATIONS

Associated Business Papers, Inc.

National Publishers Assn., Inc.

Should Promote Fire Prevention Week

ALL those particularly interested in fire prevention, and they compose a large number of people, urge early preparation for the special fire prevention and clean-up week, Oct. 7-13. This week is now recognized nationally as the President of the United States issues a proclamation calling attention to the desirability of people concentrating on fire prevention at that period. A number of governors issue similar proclamations.

Here is an opportunity for local agents in all places large and small to do some missionary work. Every insurance man naturally should be a leader in his community on this special project. Every chamber of commerce or business men's

organization should have a committee to see to it that the people are advised as to the meaning of this campaign. There are abundant opportunities for talks before luncheon clubs, chambers of commerce, women's organizations and schools.

The various associations that are giving this matter particular attention have prepared material that can be used along publicity lines. Supplies are now available from the National Board of Fire Underwriters, 85 John street, New York; National Fire Protection Association, 40 Central street, Boston; United States Chamber of Commerce, Washington, D. C., and Western Actuarial Bureau, 222 W. Adams street, Chicago.

Comment by Cleveland Daily

THE Cleveland "Press," in a recent editorial headed "Compulsory Auto Insurance," sounds a clarion note on this important subject, following the upheaval in Massachusetts and the resignation of Insurance Commissioner WESLEY E. MONK because the other state officials were trying to force him to promulgate inadequate rates. The Cleveland "Press" said in regard to the situation there:

"Massachusetts has done the rest of the country a good turn, if she has proved by the breakdown of her com-

pulsory automobile liability insurance law that the thing simply does not work. Insurance companies are not going to continue in business where the outgo is more than the income.

"Obviously, the element of safety has not been increased by such a law, if collisions and fatalities have mounted in numbers since the passage of that law, as is claimed. It seems some method of establishing financial responsibility on the part of motorists must be devised. It is well that the American Automobile Association is working on this problem."

Admire a Consistent Policy

LOCAL agents who are going through a period of readjustment on account of change in company policy, and it includes almost the entire roll, have been greatly disturbed because of an entire change of practice. Perhaps a local agent is disconcerted and confused more by a shifting policy than almost anything else. He learns to stick to companies that are consistent in their underwriting. Unfortunately today we lack independence of judgment and ability. We are too prone to follow the leader. We are moved by a run of bad luck, a series of fires, a few ominous clouds. Local agents got accustomed to doing business along a certain line for companies that had departed quite a way from the beaten path. The agents, in

fact, had felt that another beaten path would be established. Their experience however showed them that whenever companies depart from the fundamentals of the business and those principles that form the ground work of the insurance business, there must later be a swinging back to form. The present generation of local agents has learned a lesson. In the future these agents naturally will not worship strange gods and be lured away from the straight and narrow path. However, a new crop of local agents will come on who will have to learn from sad experience that it pays to stick religiously by those institutions that recognize the fundamentals of economics and business and adhere to them.

PERSONAL SIDE OF THE BUSINESS

Joseph M. Biggert of New York will retire as special adjuster of the Aetna and World Fire & Marine Oct. 1.

Mr. Biggert joined the company's ranks in January, 1903, and for a time served as special agent for eastern Pennsylvania, Maryland and the District of Columbia, succeeding Dr. C. J. Irvin, who was called to the home office as assistant secretary. He was transferred to New York City as special agent, and later made state agent in the suburban New York, Long Island and northern New Jersey field.

Prior to joining the Aetna, Mr. Biggert, had earned a wide experience in insurance work, as assistant manager of the Western and British America in New York, covering New York, Pennsylvania and New Jersey, and secretary of the British America of New York.

J. B. Levison, president of the Fireman's Fund, Home Fire & Marine and Occidental, plans to leave San Francisco on Sept. 26 on a four months' tour of Europe. He will go direct to London, after which he will visit Egypt and the Holy Land, returning by way of France.

Last week Mr. Levison was reelected president of the San Francisco Musical Association, sponsor of the San Francisco Symphony Orchestra. An accomplished musician himself, Mr. Levison has been head of this organization for a number of years and is credited with much of the success attained by the Symphony Orchestra.

John Schurmeier of Boonville, Ind., has been awarded a gold medal by the Fidelity-Phenix in recognition of his representation of the company as agent in Boonville for 31 years. Mr. Schurmeier is well known among the insurance men of southern Indiana and formerly represented Vanderburgh and Warrick counties in the Indiana legislature.

Word from J. P. H. Adams, Oklahoma state agent of the Great American group, who is traveling in Europe, announces his present headquarters as London, Eng. Mr. Adams, with his daughter, Miss Florence Adams, is making an extended tour of the British Isles and the continent.

The agency firm of Hoge & McClesney of Staunton, Va., founded in 1878 by Arista Hoge, is celebrating its 50th anniversary simultaneously with the 75th anniversary celebration of the Home of New York, which it has represented continuously throughout the period of its existence. William B. McClesney, who became a member of the firm Feb. 1, 1890, retired in 1923, the same year in which its founder died. Frank Hoge, son of Arista Hoge, who completed 35 years of connection with the agency in June of this year, is now carrying it on, with the assistance of two younger brothers, Archie M. Hoge and Henri B. Hoge.

A. A. Maloney of Los Angeles, who with Mrs. Maloney has been spending the summer among the Minnesota lakes, recently visited his former home town, Owatonna, Minn., and addressed the local Rotary Club at its meeting. F. E. Church, a former fire insurance official, is the president of the Owatonna Rotary.

John J. ("Jack") Shepard, who was elected president of the Iowa Association of Insurance Agents at its annual meeting at Cedar Falls, Ia., last week, is also the president of the recently formed local board at Cedar Rapids, Ia. He is young, forceful and vigorous, and will undoubtedly give the Iowa association a strong administration. His selection is looked upon by the agents of Iowa as a happy one.

Mr. Shepard has been in the insur-



JOHN J. SHEPARD

ance business since 1920. During that year he joined the Rupert-Warner Agency at Fargo, N. D. In 1925 he went to Cedar Rapids as manager of the insurance department of Malcolm V. Bolton & Co. Late in 1927 Mr. Bolton concluded to sell the insurance department, which was taken over by Mr. Shepard, and which he is now operating under the name of the Shepard-Bolton Agency.

J. Ross Moore, secretary-manager of the National Automobile Underwriters Conference, is again in his office in New York City after a month's vacation. While away, he spent some time in Yellowstone Park, going thence to Los Angeles, San Francisco, Seattle, and Vancouver, returning via Lake Louise, Banff and St. Paul. While in San Francisco he conferred with members of the Pacific Coast Conference regarding automobile insurance conditions in the territory, and at St. Paul visited with his old friends of the St. Paul Fire & Marine office, with which company he was formerly connected. C. M. Martindale, secretary of the Home, accompanied Mr. Moore during part of his long journey.

H. Churchill-Smith, local manager of the Liverpool & London & Globe at Toronto, who has been elected grand keeper of the golden goose egg of the Blue Goose, is a member of the Ontario pond. Mr. Smith served as most loyal gander for the last two terms and was reelected for a third term at the last annual meeting. He is a very ardent member of the Blue Goose order.

John H. Packard, United States manager of the London Assurance, and Mrs. Packard have sailed to England. Mr. Packard will visit the head office of the company and then will tour the British Isles.

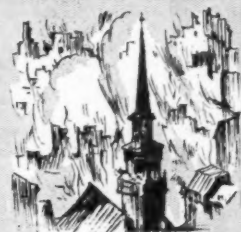
Walter H. Sage of Beverly Hills, a suburb of Los Angeles, was in Chicago last week. He was accompanied by Mrs. Sage. They visited a number of old insurance friends. Mr. and Mrs. Sage are spending some days in New London, O., her old home and at Wellington, O., where Mr. Sage held forth for many years. Mr. Sage was formerly western manager of the Great American. For many years he was an Ohio state agent. During his managership he became very prominent in many of the big movements in fire insurance in the west. He served as chairman of the governing committee of the Western Union and was a member of the first conference committee that was appointed to deal with the Western Insurance Bureau.



SAVANNAH, GA.
June 10, 1820
Property loss \$5,000,000.



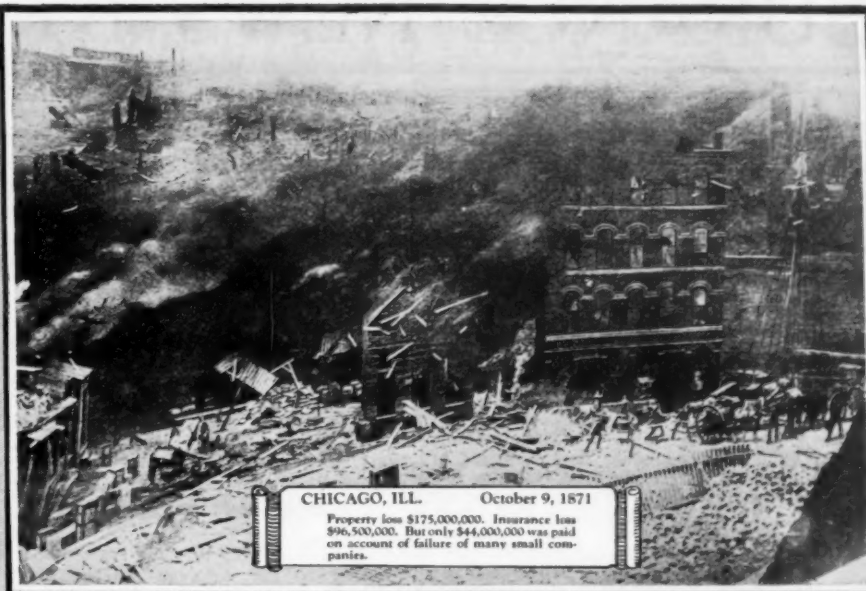
PORTLAND, ME.
July 4, 1866
Property loss \$10,000,000. A Fire Cracker the cause of it all.



BOSTON, MASS.
November 9, 1872
Property loss \$75,000,000. Insurance loss \$60,000,000, of which only \$36,000,000 was paid, as fire insurance companies had then no conflagration funds and many which survived the Chicago disaster were forced into bankruptcy in Boston.



JACKSONVILLE, FLA.
May 3, 1901
Property loss \$10,000,000.



CHICAGO, ILL. October 9, 1871
Property loss \$175,000,000. Insurance loss \$96,500,000. But only \$44,000,000 was paid on account of failure of many small companies.



NEW YORK CITY, N. Y.
December 6, 1835
Property loss \$20,000,000. 674 buildings—60 acres.



BALTIMORE, MD.
February 7, 1904
Property loss \$50,000,000. Many so-called fireproof buildings in the business district were destroyed.



CHELSEA, MASS.
April 12, 1908
Property loss \$10,000,000.



BERKELEY, CALIF.
September 17, 1923
Property loss \$10,000,000.

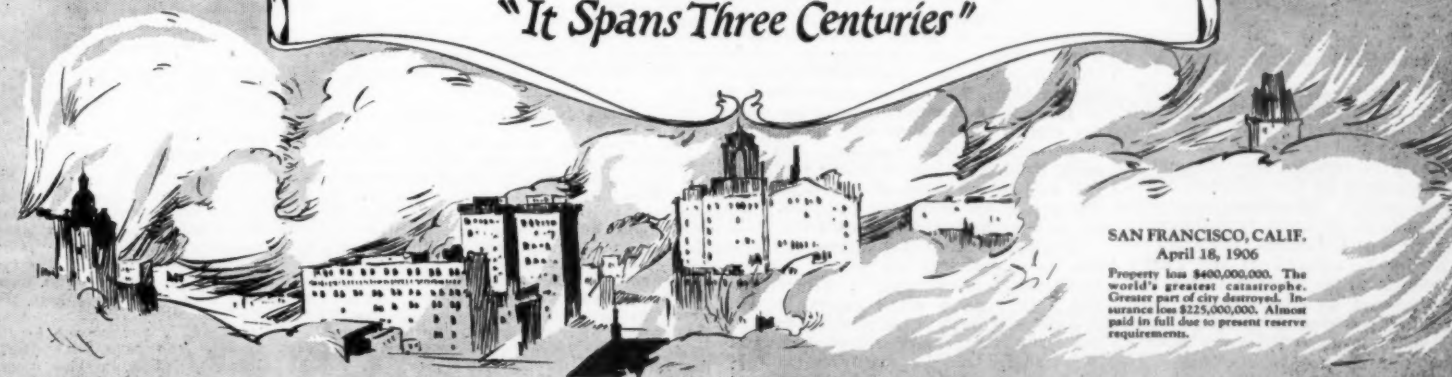
Tested by Every Major American Conflagration and Never Found Wanting

Since its organization in 1799 the Providence Washington has never faltered in the honorable discharge of its contracts. It has come through every major American conflagration with a spotless record. It has always met its obligations promptly and satisfactorily.

The "P-W" has a reputation for dependability. It is the sort of a company that an agent can tie to without any hesitation. Its record in the past is the surest guarantee of what it is going to do in the future.

**PROVIDENCE WASHINGTON
INSURANCE COMPANY**
PROVIDENCE, RHODE ISLAND

"It Spans Three Centuries"



SAN FRANCISCO, CALIF.
April 18, 1906

Property loss \$400,000,000. The world's greatest catastrophe. Greater part of city destroyed. Insurance loss \$225,000,000. Almost paid in full due to present reserve requirements.

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

USE FARM INSPECTION BLANK

Will Employ Radio to Carry Message of Fire Prevention to Rural Communities

The Ohio State Fire Prevention Association, under the leadership of A. E. Bulau, president, is planning an active season. The first inspection will be made at Bowling Green, Sept. 26, to be followed by another in Marietta, Oct. 11. The chamber of commerce at Bowling Green is sponsoring the meeting there. L. E. Kietzman, special agent of the American, is chairman of the Bowling Green committee, serving with George Graham of the New York Underwriters and E. W. Kobman of the Columbia. Chief W. S. Winnard of the Ohio Inspection Bureau is chairman of the Marietta committee. All local organizations in Marietta are assisting to make the inspection there a success.

Plan Farm Activities

The farm fire prevention committee of the organization, headed by Herman Winter, farm special agent of the Continental, has already made plans for distributing a rural home inspection blank to all centralized rural schools in Ohio. These inspection blanks are to be distributed with the approval of the Ohio director of education. The committee hopes next year that it will be possible to extend the plan to all rural schools in Ohio. Plans are being made also to address pupils in a number of the largest centralized rural schools of the state. R. S. Tidrick, state agent of the Springfield, is chairman of the sub-committee having this work in charge.

Will Use Radio

Another sub-committee for farm work headed by H. H. Hughes, farm special agent of the Aetna, has made arrangements to have farm fire prevention information sent out over Station WEOA of Columbus along with regular farm programs. Heretofore radio information on fire prevention for the farmers has gone out between selections of jazz music and not in conjunction with other material of special interest to the farmers. It is believed that making these talks a part of the regular farm programs will help to bring it to the attention of more people. O. F. Kirkpatrick, special agent of the Ohio Farmers, is chairman of the sub-committee which is arranging to send news articles on farm fire prevention to local newspapers having a large proportion of farmer circulation. The publicity department of the Ohio Farmers will assist the Ohio Fire Prevention Association in handling this work.

Queensland to Enter Ohio

United States Manager W. J. Comans of the Queensland of Australia, with headquarters in New York, was in Cleveland and Cincinnati this week preparatory to entering his company in Ohio and putting up the necessary \$100,000 Ohio deposit. A special agent will be appointed in the state, probably with headquarters at Columbus. The Queensland is already entered on the Pacific coast and in seven eastern states and plans to extend its United States business gradually, taking on about one new state a year. It plans to have a \$1,000,000 premium income in the states by 1930. It is the largest Australian company and has had a notable success, doing business in various parts of the world.

REJECTS STATE CLUB'S PLAN

Cleveland Automobile Organization Is Not in Favor of the Proposal for Insurance Project

CLEVELAND, Sept. 19.—The Cleveland Automobile Club by unanimous vote has disapproved of the proposal to link up an insurance project in the state club's activities. It is opposed to the Ohio State Automobile Association engaging in enterprises of this kind. Secretary Fred H. Caley has sent out the following letter outlining the Cleveland Automobile Club position:

"So far as the Cleveland Club's participation in the plan is concerned, the directors are convinced that the club would exceed its corporate authority if any time or money were spent in procuring subscriptions to such an insurance company. But since the Cleveland Club is a member of the Ohio State Automobile Association, they feel they must also protest against any participation on the part of the state association in the promotion of the proposed insurance company.

"The club's attorneys advise that the Ohio State Automobile Association, like any other corporation, cannot lawfully expend any sums or take any action which is not permitted either expressly or by reasonable implication in its articles of incorporation. No mention of insurance is made in the articles of incorporation of the Ohio State Automobile Association and they are unable to see how authority to promote or foster a private insurance company can be implied. Any act of a director, trustee or officer of the Ohio state Automobile Association, as such, which has in view the promotion or maintenance of such a corporation, would therefore be illegal and constitute a breach of duty to the state association and its members. In addition, the directors of the Cleveland Automobile Club believe that the possible gain from the proposed plan is not sufficient to justify risking the reputation of the Ohio State Automobile Association.

Sees No Benefit

"There is little inducement for automobile owners to take out policies in the proposed company. Conservative persons can at the same rate insure in old line companies, whose long experience and large capital investment have created a feeling of safety. Those who desire to save money will buy from cut rate and mutual companies at a lower premium. What argument could be used to procure that large volume of business necessary to the successful operation of any insurance company? Only the right to 50 percent of the profits, which if earned will be refunded a year later. Nor will the automobile clubs increase their membership under such a plan. Even if an owner insures in the new company he need not join the club. The policyholder may be a member or a non-member. On the other hand, the clubs will lose the good will and membership of many persons engaged in the insurance business, who are at present friendly toward the club. "Finally the capital investment, \$150,000, is insufficient to insure against disaster. If reinsurance is resorted to, and with such a small capital it will undoubtedly be necessary so to do, the success of the project will depend upon the stability of the reinsurer—an organization entirely out of the control of the Ohio State Automobile Association. The directors of the Cleveland

Automobile Club feel that the officers of the state association should be considering only its welfare and that of its members. Under the proposed plan however the insurance company would have everything to gain and the Ohio State Automobile Association and its members everything to lose."

It is understood that where action has been taken thus far, the clubs in larger cities are voting against the plan but that the clubs in the small towns and cities are voting for it. Cleveland has voted against it. Dayton and Hamilton have voted for it.

WILL SEND FORMAL REPORT

West Virginia Association of Insurance Agents' Statement Is in Executive Committee Hands

CHARLESTON, W. Va., Sept. 19.—Owing to the enforced absence of President A. J. Kincaid of the West Virginia Association of Insurance Agents at the recent Parkersburg meeting, the executive committee has not drawn up a formal report to transmit to the supervisory committee of the West Virginia Uniformity Association on the commission contract. There was considerable discussion at the conference at Parkersburg but no definite resolutions were passed, the matter being left to the executive committee to formulate. The officers, presidents of boards and other members at hand expressed their views, but the whole matter was delegated to the executive committee for final action. Secretary C. I. Thornburg notified the company authorities that a formal statement would be forthcoming in due season. The West Virginia supervisory committee desires now to put into effect the Eastern Underwriters Association scale of commissions and classification. The state insurance department agreed to this, as did the conference committee of the West Virginia Association. The West Virginia agents however do not seem agreeable to this and want the separation plan removed.

To Carry Up Bid Dispute

The state of Ohio has appealed to the state supreme court the case of the Great American Mutual Indemnity of Mansfield. The common pleas and appellate courts have directed that the state department of insurance accept a bid from the Y. M. C. A. of Mansfield for \$80,000 for the home office property, which was taken over by the state several years ago. The insurance department declined to accept the bid, the department having the right, it was declared, to reject any or all bids. The Great American Management Company, which is the largest creditor of the insurance organization, having a claim of \$136,000, has offered to pay \$100,000 for the property, allowing this to be paid on its claim. The case will probably be heard later in the state supreme court, papers in the action having been filed by the state insurance department through C. S. Younger, special counsel in the office of the attorney general.

Inspect Ohio Rural Schools

An inspection of every rural school and every rural dwelling house in Ohio has been undertaken by the Fire Prevention Association of Ohio in cooperation with the state department of education and school officials and pupils throughout the state. Rural school children will inspect their own homes for fire hazards and report on blanks furnished them by the fire prevention organization. Three inspections will be made in each rural school, one by a girl pupil, one by a boy pupil and the third by the teacher, acting independently of each other. H. P. Winters of Columbus is chairman of the committee in charge, which is composed of R. S. Tidrick, R. D. Kirkpatrick, H. H.

Hughes and S. E. Goodfellow, all of Columbus.

An inspection will be made at Bowling Green Sept. 26 and at Marietta Oct. 11. The Bowling Green committee is composed of L. E. Kietzman, Toledo; E. W. Kobman, Columbus, and George W. Graham, Cincinnati. The Marietta committee is composed of W. S. Winnard, W. H. Witherspoon and Alfred S. Snow, Columbus.

Sales of Ohio Agencies

The following sales of agencies have taken place in Ohio recently: The Garrett Insurance Agency in Tiffin to Scott Garrett; W. H. Sigfried Agency in Springboro to Karl D. Dakin; C. C. Rowand Agency in South Solon to Earl Buehler; Fred O. Fisher Agency in Mendon to R. B. Harbison; the Van Campen Agency in Kent to R. A. Sollberger; the Philip Schuler Agency in Gallon to E. L. Middleton; the C. B. Weymouth Agency in Bellefontaine to Hill & Hamilton, and the Morris W. Gelger & Sons Agency in Alliance to Dillon-Crist.

Cleveland Board Resumes Meetings

CLEVELAND, Sept. 19.—Meeting of the Insurance Board of Cleveland were resumed last week after a temporary abandonment for the summer vacation season.

Cleveland Well Represented

CLEVELAND, Sept. 19.—Among Clevelanders leaving for the convention of the National Association of Insurance Agents at West Baden, Ind., were H. J. Horton, secretary of the Insurance Board of Cleveland, and wife; W. E. Flickinger, president of the board; H. R. Manchester, vice-president of the board; Mr. and Mrs. James B. Oswald, Raymond Well, George E. Haas, Howard Olmstead, E. W. Davis, A. W. Neal and Charles H. Parsons.

Ohio Notes

The Van Nest Insurance Agency in Wooster, O., has been transferred to Blough & Taylor.

James R. Levi, treasurer of the Shanklin Company, prominent Cleveland, O., agents, was married at Louisville to Miss Carol Kaufman, of that city.

Fire in the four-story brick wing of the Warworth foundry at Cleveland this week resulted in a loss estimated at \$30,000.

The following companies have been licensed by the Ohio department: Merchants & Manufacturers Fire, Newark, N. J.; Lion Fire, New York; United Mutual of Hancock County, Janera, O.

At Salem, O., this week, sparks thrown into a huge oil vat by a welding machine caused heavy damage by fire at the plant of the Mullins Corporation. No estimate of the amount of the loss was made by the company.

Fire caused a loss of \$15,000 this week in Sabina, O., and 24 hours later the city council passed a resolution to place an \$8,000 bond issue on the November ballot for the purpose of buying fire-fighting equipment. The whole town was threatened by the fire.

Attempts were made this week to fire two tipples owned by non-union mining companies in Athens, O. Two snipers were arrested, charged with shooting a watchman. One of the tipples was owned by the Sunday Creek Coal Company and the other by the Western Fuel Company. Oil had been poured on the tipples and carloads of coal.

Virginia Notes

The Millers Mutual Fire of Alton, Ill., has been admitted to Virginia. Its principal office will be at Norfolk in charge of Fred B. Ballou.

Fire Fighters Reelect Officers

MILWAUKEE, Sept. 19.—Fred W. Baer, Washington, D. C., was reelected president of the International Association of Fire Fighters at the closing session of the annual convention here last week. The entire slate of officers was reelected with the exception of one new vice-president, Neil McDonald, from the sixth district, Vancouver, B. C.

Halifax, N. S., was chosen as the convention city for 1930 with Buffalo as the alternate. During the convention, fire prevention and fighting fires under modern methods were discussed, as well as business of the association.

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

NEAL BASSETT, President
A. H. HASSINGER, Vice President

JOHN KAY, Vice President and Treasurer
WELLS T. BASSETT, Vice President

JANUARY 1ST, 1928, STATEMENTS

ORGANIZED 1855
FIREMEN'S INSURANCE COMPANY
OF NEWARK, NEW JERSEY

ASSETS	LIABILITIES	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
\$40,000,136.83	\$19,459,279.01	\$7,500,000.00	\$13,040,857.82	\$20,540,857.82

ORGANIZED 1853
THE GIRARD F. & M. INSURANCE COMPANY
OF PHILADELPHIA, PA.

\$6,000,966.28	\$2,930,594.84	\$1,000,000.00	\$2,070,371.44	\$3,070,371.44
----------------	----------------	----------------	----------------	----------------

ORGANIZED 1854
MECHANICS INSURANCE CO.
OF PHILADELPHIA, PA.

\$4,828,245.29	\$2,820,808.68	\$600,000.00	\$1,407,436.61	\$2,007,436.61
----------------	----------------	--------------	----------------	----------------

ORGANIZED 1866
NATIONAL-BEN FRANKLIN FIRE INS. CO.
OF PITTSBURGH, PA.

\$4,907,721.63	\$2,557,216.60	\$1,000,000.00	\$1,350,505.03	\$2,350,505.03
----------------	----------------	----------------	----------------	----------------

ORGANIZED 1871
SUPERIOR FIRE INSURANCE CO.
OF PITTSBURGH, PA.

\$4,835,369.35	\$2,520,317.56	\$1,000,000.00	\$1,315,051.79	\$2,315,051.79
----------------	----------------	----------------	----------------	----------------

ORGANIZED 1870
CONCORDIA FIRE INSURANCE CO.
OF MILWAUKEE, WIS.

\$5,250,424.26	\$2,567,447.92	\$1,000,000.00	\$1,682,976.34	\$2,682,976.34
----------------	----------------	----------------	----------------	----------------

ORGANIZED 1886
CAPITAL FIRE INSURANCE CO.
OF CONCORD, N. H.

\$760,298.04	\$375.00	\$300,000.00	\$459,923.04	\$759,923.04
--------------	----------	--------------	--------------	--------------

TOTAL OF ASSETS
\$66,583,161.68

TOTAL OF LIABILITIES
\$32,856,039.61

TOTAL NET PREMIUMS
\$25,684,495.78

WESTERN DEPARTMENT
844 Rush Street
Chicago, Illinois

H. A. CLARK, Manager
Assistant Managers
H. R. M. SMITH
JAMES SMITH JOHN R. COONEY

EASTERN DEPARTMENT
10 Park Place
NEWARK, NEW JERSEY

CANADIAN DEPARTMENT
461-467 Bay Street
TORONTO, CANADA
MASSIE & RENWICK, Limited,
Managers

PACIFIC DEPARTMENT
60 Sansome Street
San Francisco, California

W. W. & E. G. POTTER,
Managers

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

An Open Letter to Harmonia Agents--

Digging Up Leads for Fire Prevention Talks

No selling this time—but it's just as important. Fire Prevention Week is coming—October 7 to 13. And it is your opportunity to help safeguard your community against the ravages of fire.

But you need prospects for this as much as you do for selling. Here are a few:

Your local Rotary, Lions and Kiwanis Clubs offer you an opportunity to broadcast prevention measures to business men of standing in your town.

Your church men's club affords another logical group to whom you can explain the aims and efforts of fire prevention.

Schools give you a host of receptive minds to whom your talks will mean much.

Take these opportunities to impress on the public of your community the need for care and forethought in the continual fight against fire. Tell them that 'though last year's fire loss is estimated at \$478,000,000—almost one hundred million dollars less than for the previous year—this year's figures should be kept lower. Show them that only by constant vigilance and continual practice of fire preventive measures can this be done. Do all this and you will be aiding to accomplish a great work—Fire Prevention.

In territories where the Harmonia Fire Insurance Company is not already represented, applications from reputable agents for representation will be considered.

HARMONIA
Fire Insurance Company
NEW YORK OFFICE
59 MAIDEN LANE



NATIONAL LIBERTY Insurance Company of America

SUMMARY OF SEMI-ANNUAL STATEMENT July 1, 1928

CAPITAL	\$ 2,000,000.00
PREMIUM RESERVE	9,826,847.02
RESERVE FOR ALL OTHER LIABILITIES.....	1,825,129.00
NET SURPLUS	18,758,100.02
TOTAL ASSETS	\$32,410,076.04
SURPLUS TO POLICYHOLDERS.....	\$20,758,100.02

Fire, Automobile, Windstorm, Tornado, Sprinkler Leakage, Rent and Rental Value, Use and Occupancy, Tourist Baggage, Explosion, Property Damaged by Aircraft, Riot and Civil Commotion, Inland Marine, Parcel Post, Registered Mail.

**Home Office—709 Sixth Avenue
New York City, N. Y.**

CENTRAL WESTERN STATES

HONOR GRAND NEST OFFICERS

**Indiana Blue Goose Members Pay
Homage to J. Charles Harris and
Paul E. Rudd**

The Indiana Blue Goose entertained J. Charles Harris, most loyal grand gander, and Paul E. Rudd, grand wielder of the goose quill, at a dinner Friday evening. They were returning by way of Indianapolis from the grand nest meeting at Montreal and a number of the eastern ponds. That the order should emphasize the fraternal spirit and seek out those who are ill, unfortunate or in trouble, Mr. Harris urged. The bringing of good cheer and courage to those who are disheartened, he said, is the true function of the order. Mr. Rudd told something of the growth of the order and the reasons why it is now evidently on a very substantial basis. It is now a world-wide organization with unlimited possibilities for good to the business, ranking only next to the National Board in importance. Both spoke in high terms of the benefits that will be derived from the life insurance provision, which is now open to members.

Insurance Commissioner Clarence C. Wysong said that he regarded the Blue Goose as one of great importance to the business in that, if the membership will live up to the principles for which it stands, general conditions are bound to be bettered. He said that, as soon as the American National Life is admitted to Indiana, the department will give its sanction to the insurance plan, but until this is accomplished he could not consistently approve of insurance which is placed in an unauthorized company.

Delegates Homer G. Meek and Ross A. Moore made brief reports of the grand nest meeting at Montreal. Lon D. McConnell, most loyal gander of the Indiana pond, presided.

Arrests Follow Explosion

Bonds totalling \$248,000 have already been written in connection with the arrests that have followed the explosion which wrecked the clothing store of Edward Traugott & Co. in Indianapolis two weeks ago, which, it is claimed, is a record for a single similar case. Four bonds aggregating \$100,000 have been set by United States commissioners, against Traugott and Harry Sussman, owners of the store; Elmer Sussman, relative and part owner, for \$25,000 each. Another bond of \$25,000 has been written on William "Woody" Laffey, charged with selling one of the stolen cars that the Sussmans and Traugott are alleged to have "fenced" out through this and other states. Violations of the prohibition law are also among the charges made against these men and their associates.

Indiana Outlook Promising

Some representative field men in Indiana are optimistic as to the outlook for business in the state in the fall. Losses have not been above normal and there is a feeling that business conditions will be good. The prospects are for good crops in Indiana and farming interests are said to be in better condition than for a number of years, which is pretty certain to be reflected in other lines of trade and industry.

Lansing Wants Full-Time Inspector

LANSING, MICH., Sept. 19—Request that a member of the local fire department be delegated as full-time inspector, to disclose and correct fire hazards, is to be made of the board of police and fire commissioners. George M. Goodell,

vice-president of the Dyer-Jenison-Barry Company and president of the Lansing Insurance Agency, announced that business men here favor such a step.

Under the present system property is inspected by firemen during their off duty periods. While this plan is considerably better than ignoring of inspections altogether it does not get the results to be obtained from selection of a full-time inspector.

Losses at Grand Rapids

GRAND RAPIDS, MICH., Sept. 19.—Grand Rapids' struggle to maintain its record of steadily reducing its fire losses through systematic prevention methods was struck another unpreventable blow late last week when lightning struck the Soldiers' Home here, causing a fire loss which is expected to run into many thousands of dollars. The flames were fought for two hours. Wind damage was considerable in the same storm, plant No. 4 of the Grand Rapids Store Equipment Corporation and the Consumers Ice Company plant being unroofed. Window glass breakage and other damage was reported throughout the city.

Corroon & Reynolds Seek Licenses

LANSING, MICH., Sept. 17—Licensing of the companies represented in the Corroon & Reynolds fleet and not now possessed of Michigan authority has been formally applied for, it was disclosed by the department this week. Licenses are being sought for the Knickerbocker, Brooklyn, Merchants & Manufacturers, Sylvania and Bronx.

Reductions for Annexed Area

KALAMAZOO, MICH., Sept. 19—Reduction in insurance rates for property recently annexed to this city was announced as one of the first benefits to accrue to inhabitants of the annexed district. Earl S. Weber, secretary of the Kalamazoo Chamber of Commerce, issued the following statement as soon as result of the vote was officially determined last week:

"As soon as the results of the annexation election are filed with the secretary of state at Lansing, everyone in this annexed area who lives within 1,000 feet of a fire plug can secure an immediate reduction in insurance rates. Residents in this district have been paying 85 cents per \$100 on frame and shingle houses. Their reduction will be to 52½ cents. Owners of frame and composition roof homes have been paying 72½ cents and will be cut to 45 cents. As rapidly as water mains are extended in the new district all home-owners within 1,000 feet of the new plugs can obtain these same reductions."

Plan for Fire Prevention Week

LANSING, MICH., Sept. 19—The fire prevention committee of the Lansing chamber of commerce, created recently, is making unusually elaborate preparations for Lansing's participation in Fire Prevention Week. One of the unique devices which will be used to call attention of the public to the observance will be placarding of every fire hydrant with the vivid command: "Fire—Don't give it a chance and you'll never need me." It is probable that a similar scheme may be worked out to utilize the fire alarm boxes.

In addition to the aid of leading Lansing executives, the local campaign is assured of the support of the various state bureaus. Charles V. Lane, assistant state fire marshal, and Lieut. Lawrence Lyons, in charge of the state police safety organization, who attended the initial committee meeting, urged that Lansing adopt Grand Rapids' example in launching an all-year prevention campaign.

Indianapolis Board Elects

At the annual meeting of the Indianapolis Fire Insurance Agents Association Barrett Woodsmall was reelected president; Otto Janus, vice-president; Rufus Mumford, treasurer, and Ross E. Coffin, secretary. The chief topic of discussion was the National association meeting at West Baden this week which

STANDARD INSURANCE COMPANY OF NEW YORK

Head Office: 80 John Street, New York

J. A. KELSEY, President G. Z. DAY, Vice-Pres. and Secretary

Statement December 31, 1927

CAPITAL	\$1,000,000.00
PREMIUM RESERVE	1,098,796.26
OTHER LIABILITIES	196,660.00
NET SURPLUS	1,786,197.15
TOTAL ASSETS	4,081,653.41

CHICAGO BRANCH
175 West Jackson Blvd.

H. T. Dahl, Jr.
Agency Supervisor

Alfred J. Couch
Manager Brokerage Dept.

THE PRICE CUTTER

There should be no place for the price cutter in any industry.

The practice of deliberate concessions is unsound fundamentally.

Keep faith with those who keep faith with their cost of production. Be a Builder not a wrecker of good honorable ethics in the Business world.

FIRE INSURANCE CO.

OF NEW YORK

Incorporated 1852

MILWAUKEE MECHANICS'

**FIRE
MARINE
TORNADO
AUTOMOBILE
EXPLOSION
SPRINKLER
LEAKAGE
RENTS
USE and
OCCUPANCY
RIOT and CIVIL
COMMOTION**

INSURANCE COMPANY

**Milwaukee
Wisconsin**

**Time-Tempered, Strength,
Security and Service**

**EAST AND WEST
INSURANCE COMPANY OF NEW HAVEN
CONNECTICUT**

Do you need in your Agency a Company capable of understanding your needs, one willing to help work out your fire insurance problems?

Do you want in your Agency a Company that pursues a stable and consistent underwriting policy year after year?

The East and West is such a Company. It is a valuable addition to any Agency.

**Owned by and under the Management of
Security Insurance Company of New Haven**

Western Department
ROCKFORD, ILLINOIS
Walter D. Williams, Manager

A Company for Good Agents

Twenty-three years of continuous progress have molded a reputation for the Home Fire Insurance Company of Arkansas that commands the confidence of every local agent. From an idea in 1905 this institution has grown to one of \$1,750,711.46 assets and \$500,000 paid up capital.

Wherever the Home Fire is located you will find a satisfied agent.

We have excellent agency opportunities in Arkansas, Louisiana and Mississippi.

Home Fire Insurance Co.
of Little Rock, Arkansas

1794

1928

**THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA**
PHILADELPHIA, PA.

Fire—Lightning
Tourist Baggage
Inland Transportation
Use & Occupancy

Windstorm
Automobile
Parcel Post
Rent Insurance

**Acquire
THE OLD "STATE OF PENN"**

a number of the members planned to attend.

Michigan Notes

Articles of Incorporation have been filed by the Credit Service Company, Detroit, which includes in its powers operation of an insurance agency. Incorporators are Ralph Fordon, Hugh Backus and Samuel R. Post, all of Detroit.

The suicide in Detroit of Claude E. Burns, 48, member of the Smith-Burns Agency, with offices in the Detroit Savings Bank building, came as a shock to his acquaintances in the business. Mrs. Burns said he had been depressed by financial worries.

A \$15,000 loss was sustained at Muskegon when a fire of unknown origin broke out on the second floor of a two-story structure occupied by the Hathaway Motor Company. Defective wiring is suspected, either in the building itself or in some autos stored on the floor.

Eight passenger autos and trucks were extensively damaged but new cars on the first floor were moved out before the flames reached them.

A huge new fire-truck was placed in service last week at the No. 2 engine house in Jackson. An official ceremony marked acceptance of the equipment by the city, with several fire department officials and preventionists from other cities and towns in attendance.

Indiana Notes

Verle Campbell has bought the agency of W. C. Beam & Co. in Indianapolis and will conduct it under that title. He bought the S. Albert Salmon agency about a year ago.

Louis Fournier of Tell City, Ind., for many years engaged in the insurance business in that city and circuit clerk of Perry county, died last week after an illness of a few days. He was president of the Catholic Knights of America in Indiana and was widely known over the state.

STATES OF THE NORTHWEST

ORGANIZATION IS COMPLETED

**Insurance Federation of North Dakota
Lists Official Personnel—Report
Membership of 427**

The Insurance Federation of North Dakota is the name which has been formally adopted by the newly organized body of insurance agents of North Dakota, the first executive board session of which was held in Bismarck, N. D. At this time John P. Tucker of Devils Lake was named permanent secretary of the association and Julius R. Baker, Fargo, treasurer, and the name of E. O. Seiler, Jamestown, was added to the list of vice-presidents, while A. N. Cooper, Grand Forks, was named to replace Harold Phelps of Minto as vice-president. Other officers were named at the earlier organization meeting and the entire personnel includes George H. Leick, Hebron, president; L. F. Temme, Beulah; C. B. Aamodt, Bottineau; A. C. Brown, Hannaford; J. F. Nichols, Oakes; T. H. Steffen, Wilton; A. J. Fields, Williston; L. R. Nostdahl, Rugby; Orrin J. Trimble, Devils Lake; M. J. Backes, Langdon; L. E. Correll, Casselton; Laurits Skjelset, Rhame; C. J. Clark, Crosby; E. R. Sarles, Hillsboro, and O. A. Schimansky, Solen, vice-presidents. On the executive committee in addition to Mr. Baker and Mr. Tucker are Henry T. Murphy, Bismarck, chairman; and H. L. Reichert, Dickinson; H. W. Montgomery, Minot; M. J. Ruemmele, Ashley, and M. E. Biggs, New Rockford. Mr. Tucker will establish association offices at 218 Broadway, Bismarck, for the convenience of gatherings and also because this is an advantageous point as regards insurance legislation that might come up from time to time. A total of 427 members is reported.

Leads in Membership Drive

ELLSWORTH, WIS., Sept. 19.—M. W. Young, owner of the Service Agency here, has taken the lead among all the county chairmen in the state, in the drive for new members which is being conducted by the Insurance Federation of Wisconsin. He secured eight new memberships in one week and is on his way to get more. Mr. Young is the newest of the county chairmen and has charge of Pierce county.

Nominate Board Officials

MILWAUKEE, Sept. 19.—Fred J. Lewis of the George H. Russell Company has been nominated to serve a third term as president of the Milwaukee Board. Monroe Porth of Ed Porth & Sons has also been nominated for a third term as vice-president of the board. Emil P. Hunkel has been renominated as secretary and William Lynch of the Blatz-Kasten Co. received the nomination for treasurer. Both Mr. Hunkel and Mr. Lynch have already served several successive terms in their respective offices. The annual meeting and election of officers is scheduled for Oct. 10.

CLASSIFICATION RETAINED

**Fargo Complies With Bureau's Recommendations With Few Exceptions
to Be Carried Out Later**

FARGO, N. D., Sept. 19.—Recommendations made by the General Inspection Bureau, which, according to assurance given at a meeting last July, would operate to retain the classification of fire insurance rates now in effect in Fargo, will be carried out by the city commission, it was decided at a recent meeting. The recommendations refer to the fire department and its personnel.

In a communication to the city commission, read at the meeting, it was stated that unless the recommendations were complied with, the city would not retain its present place in Class 4, but would be placed in Class 5, which would increase rates correspondingly. All of the recommendations of the bureau can not be carried out, such as addition of several men and more equipment, which would cost a considerable sum, for the reason that the bureau's recommendations were not made until after the city had completed its budget for the current fiscal year.

The bureau, however, has conceded this and has advised the commission that it will retain the present rate classification provided those improvements, are carried which will not necessitate the expenditure of additional funds.

Lagerman Heads St. Paul Body

J. A. Lagerman of Davis & Lagerman has been elected president of the St. Paul Insurance Exchange. George M. Landon is made vice-president, W. F. Gilliam, secretary and treasurer. The executive committee consists of Ben B. Weed, John T. McGee, Glenn A. Morton and Eugene Rogers.

Hurt in Air Crash

MILWAUKEE, Sept. 19.—Stuart F. Auer, head of the Auer, Inc., agency at Milwaukee, who is interested in aviation insurance companies, and R. E. Herron, Milwaukee, aviation insurance salesman for Mr. Auer, crashed to the ground in a Waco biplane at Wellton, Ariz., last week. They were Milwaukee's entry in the transcontinental air race. Mr. Herron suffered a deep scalp wound and was rushed to a hospital at Yuma, Ariz., 42 miles west of Wellton. Later he was removed to a hotel room.

Losses About Adjusted

Julius Graef of the John B. Lee Co., adjusters in Minneapolis, reports that almost all of the losses from the four storms which hit Austin, Minn., this year have been adjusted. The recent tornado that hit Austin hardest of all the cities in Minnesota resulted in damage of approximately \$500,000.

Insurance Day Plans Progress

MILWAUKEE, Sept. 19.—Preparations for Wisconsin Insurance Day here Oct.

24, under the sponsorship of the Insurance Federation of Wisconsin, are rapidly being made. Two thousand posters and several thousand pieces of mailing matter advertising the event are going out this week to agents in all parts of the state. A newspaper tie-up with one of the local evening papers has been arranged by Claude A. Bonner, chairman of the publicity committee. The newspaper is to run a contest, beginning three weeks before the insurance day, for the best letter on the subject of insurance and it will carry a story of the contest each day. Fifty dollars will be awarded to the best letter writer. Judges of the letters have not been announced yet but they will be prominent insurance men in the city.

Plan Wisconsin Agents' Meeting

MILWAUKEE, Sept. 19—Local com-



**tella, the
agacious
tenog.
ays—**

"Just got back from the shore where I spent my vacation. Gee! I hated to come back 'cause I met the nicest chap down there—an Agent for the Columbia. He didn't know that I write the Columbia Ads., and so when I asked him how he came to represent us, he told me the whole story. 'I first heard about the Columbia several years ago' says he, 'a broker told me it was a good Company and so I decided to investigate. I was taking several trappapapers and I looked for their ads, but there weren't any. Then I watched their statement figures, and they showed a continuous growth. Maybe excess commissions or something, I thought, but no—they played strictly according to Hoyle. So I concluded that any Company which plays fair and square, and yet continues to grow without the aid of advertising, must be a pretty safe bet. So I took 'em on. Now that they've started to advertise, you watch! I'm glad I'm on the band-wagon!'"

**The
Columbia
FIRE
INSURANCE COMPANY
OF DAYTON, OHIO**

OWNED AND MANAGED BY
THE AMERICAN of NEWARK

mittees at Oshkosh, Wis., which will have charge of arrangements when the Wisconsin Association of Insurance Agents meets there on Oct. 11-12, have been announced by Walter T. Greene, Milwaukee, president of the association. Mr. Greene and Joseph G. Grundle, secretary of the association, visited with the Oshkosh members last week and selected the committees. A. W. Fox is to be general chairman for the convention. He will be assisted by Mrs. Abbie C. Henkel, Mrs. Myrtle B. West, Robert Harmon, Neil McNichol, C. C. Konrad, A. W. Kirst and Howard G. Nichol.

Organize Prevention Program

MILWAUKEE, Sept. 19—Frank R. Daniel, chief engineer for the fire prevention section of the Milwaukee association of commerce, will direct the activities of Fire Prevention Week in Milwaukee again this year, and in a message sent out broadcast last week called on all organized groups in the city to participate in this national campaign.

Plan Fire Fighting Exhibit

DULUTH, MINN., Sept. 19—An exhibit of fire protection, fire fighting and fire prevention apparatus, equipment and methods will be a feature of the program for Fire Prevention Week, according to announcement made by H. E. Reynolds, president of the safety bureau of the Duluth chamber of commerce.

Children in the public and parochial schools of the city will be addressed by city firemen and downtown demonstrations of fire fighting will be staged every noon. In addition a wide survey of conditions in the residence districts will be undertaken through the distribution of 20,000 inspection blanks to be distributed and collected by school children after being filled in.

Minneapolis Mill Loss

MINNEAPOLIS, Sept. 19—The fire which Minneapolis has feared for years and guarded against more than any other broke out early Sunday morning. The "A" mill of the Washburn Crosby Company, in the heart of the milling district, was badly gutted with a loss estimated at \$200,000.

It was one of the heaviest losses the milling district has had in 25 years.

Blue Goose Starts Meetings

MINNEAPOLIS, Sept. 19—The regular Monday luncheons of the Minneapolis Blue Goose were resumed Sept. 17. Thomas G. Linnell, most loyal gander, gave a resume of the grand nest meeting at Montreal, to which he was a delegate from Minnesota.

Controversy Over School Insurance

MADISON, WIS., Sept. 19—A controversy has again arisen over the insurance coverage on the school buildings here. Last week the board of education decided to continue the previous method of insurance on the school buildings by which the \$3,000,000 insurance is apportioned among the old line companies on the basis of their annual premiums. The amount to be reapportioned this year is \$693,000.

The Reitan-Lerdahl Company, however, has declined to write the pro rata share of coverage and has urged reconsideration of the "Mill Owners Plan." The agency handles mutual insurance and it stated that under the present method of coverage it would operate at a loss because of the expense necessary for inspections.

Dakota Notes

Paul Goldale, who for the last nine years has been engaged in the insurance business in Rugby, N. D., has disposed of his interests to Olav Underdal and Miss Nettie Ellingson, who will in the future operate under the name of the Rugby Insurance Company.

Wisconsin Notes

E. C. McElvain, staff adjuster with the Western Adjustment at Milwaukee, has been receiving congratulations on the birth of a baby girl.

Charles H. Yunker, president of the Milwaukee Mechanics, Milwaukee, is spending several days near Minocqua, Wis., in the northern part of the state, and is fishing in the lakes around there.

Francis F. Henze, Wisconsin special agent for the American Alliance, and Mrs. Henze are receiving congratulations for their friends in the insurance fra-



THEY ALL BURN!

In spite of our modern fire fighting apparatus - organized fire departments - and efforts along fire prevention lines - Churches - Factories - Dwellings and Schools are daily being destroyed by fire.

Insurance is the only "sure protection" available to the property owner against this ever present hazard.

Agents are obligated to tell their clients and prospects of their need for "Complete Fire Protection."

**COMMERCIAL UNION
ASSURANCE CO., LTD.**

NEW YORK CHICAGO SAN FRANCISCO ATLANTA DALLAS

DETEX Watchman's Clocks

Manufactured by

Detex Watchclock Corporation

**Do Your Clients
Have Watchclock Protection?**

Fire risks are greatest on unguarded property.

Fire risks are almost as great where watchmen are employed—but not checked.

Detex Watchclock Systems check watchmen's movements to the minute, thereby compelling them to keep awake and make regular rounds. Over 80,000 watchman's clocks produced by the Companies that now make up the Detex Watchclock Corporation are now in use all over the World.

Tell your clients about Detex Watchclock protection. Write us for complete information. Representatives in all larger cities.

DETEX WATCHCLOCK CORPORATION
Boston 4159 Ravenswood Ave., Chicago New York

a continuation of the manufacturing
NEWMAN CLOCK COMPANY NEWMAN-ECO
ECO CLOCK COMPANY and by purchase of the Hardinge Patents
ALERT-PATROL

Watchman's Clocks

Approved by Underwriters Laboratories, Inc., and Factory Mutuals Laboratories



JOHN HANCOCK SERIES

Entering College

IN September, thousands of young men and women will begin their college careers. It is a good time to call attention to the fact that a life insurance policy is a guarantee that they will finish. Most of them will. Some of them will not.

The cost of putting a boy or girl through college at the present time is estimated to be between four and five thousand dollars.

Nowadays parents are learning how to provide this educational fund through insurance taken out when the children are very young.

But here we are considering only the youth just entering college, with high hopes for the future which may be thwarted by the sudden loss of the breadwinner. Small would be the additional cost in premium for enough insurance to secure the family against needless disappointment.

Just another way of purchasing security. The father will know that he has done his full part. The mother will be assured that whatever happens she can "see it through."

Nearly 3 Billions in Force.

Over 4,000,000 Signatures on the dotted line.

500 Million Dollars Paid on Policies since Business Began.

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

197 Clarendon St. Boston, Mass.

SIXTY-FIFTH YEAR OF BUSINESS

OFFICE SYSTEM **The Rough Notes Co.** INSURANCE SUPPLIES
EVERYTHING FOR THE INSURANCE MAN
CHICAGO, ILL.



S-E-R-V-I-C-E Pays a Handsome Profit

SERVICE to your policyholders, whether large or small, builds your business on a solid, substantial basis that yields a greater profit year after year. Render a personal and appreciated service by giving each policyholder a policy file, something that he may keep his policies and valuable documents in. Your card printed on each file guarantees your receiving full advertising value for each file given out.

No. 99, Red Tag Policy File. This envelope is made up of exceedingly tough texture and possesses enduring wearing qualities; at the same time it is light in weight. The low price makes it an excellent advertising medium. Size, 10 1/4 in. long by 4 1/2 in. wide. Capacity, six to ten policies. Prices: 1,000 \$27.00; 500, \$14.25; 100, \$3.00; 50, \$1.65; 25, \$0.85; 12, \$0.45.

Additional Charge for Imprinting. Prices quoted above do not include imprinting advertising card. Cards of not more than four lines will be imprinted at the following rates: 100 or less, \$1.50; 200, \$1.75; 300, \$2.00; 500, \$2.50; 1,000, \$3.50. Imprinting of cards of more than four lines or requiring special composition, will be billed at cost. Quotations on request.

No. 97, Expansive Policy Files. This style has sufficient expansive capacity to admit twenty-five or thirty policies and documents. The envelope is made of tough stock, having two bands of rubber at either end for holding policies securely. A record of companies, expirations, etc., is printed on the inside of flap. Prominent space is reserved for advertising card. Size, 4 3/4 in. wide by 10 1/4 in. long. Prices: 500, \$57.00; 100, \$12.00; 50, \$6.60; 25, \$3.30; 12, \$1.60.

For Sale by

The National Underwriter Co.
175 W. Jackson Blvd
Chicago, Illinois
429 East Fourth Street, Cincinnati
89 Maiden Lane, Room 613, New York
313 Iowa National Bank Bldg., Des Moines

INSURANCE OFFICE SYSTEMS SUPPLIES AND PUBLICATIONS

ternity over the arrival of a baby boy in their family.

The three fire patrols of the Milwaukee Board answered 104 alarms and 44 special duty calls in August. The mileage traveled totaled 417 miles and they were on fire duty for 136 hours. They spread 1,033 stock covers and 19 roof covers.

The Wisconsin Blue Goose is preparing for a dinner dance to be held in

Milwaukee around Hallowe'en. R. T. Gravenstine, most loyal gander, has appointed a committee consisting of Harold V. Schnitzler, chairman; George Hannan, and P. F. Lewis, to arrange for the party.

The tannery operated by W. B. Place & Co., Hartford, Wis., is now sprinklered, according to information received in Milwaukee. The sprinkler system was installed by the company in order to secure sufficient coverage on the buildings, equipment and stock.

IN THE MISSOURI VALLEY

NEW TAX SUIT DEVELOPMENT

Preferred Risk Fire Object of New Suit to Determine Basis of Taxation

TOPEKA, KAN., Sept. 19.—The long controversy between the fire and life insurance companies over the method of taxing the companies in Kansas is to be settled in the Supreme Court. It is expected the decision will be reached late in the present year, so that whatever mistakes the court may point out in the present taxing methods may be corrected by the legislature which meets in January.

Some time ago suit was filed in the Supreme Court against the county assessor of Shawnee county to settle the controversy over taxing the life insurance companies, and last week the tax division of the public service commission filed a suit in the Supreme Court against the county assessor of Lyon county and the Preferred Risk Fire to determine the legal method of taxing fire companies.

The Preferred Risk Fire, in its statement to the assessor showed taxable assets of \$998,475, but its investments were \$1,181,865 in tax exempt securities. Therefore the company pointed out that

it had no taxes to pay, as the exemptions were larger than the total taxable value of its assets. The state contends that the company must pay taxes upon the market value of its stock, \$250,000, and upon the book value of its surplus, \$318,987, and that it should pay the regular tax rate upon \$568,987.

Hail Sweeps Nebraska

One of the heaviest hail storms in many years swept over Pierce county, Neb., the night of Sept. 14, but its potential damage was much diminished by the fact that the corn crop in that section is an almost total failure, due to the August drought. Much of it had been cut for fodder before the hail came. Orchards, gardens and small outbuildings suffered most. Heaps of the packed hailstones were visible in shaded spots on farms the day following.

Purchase Fire Fighting Apparatus

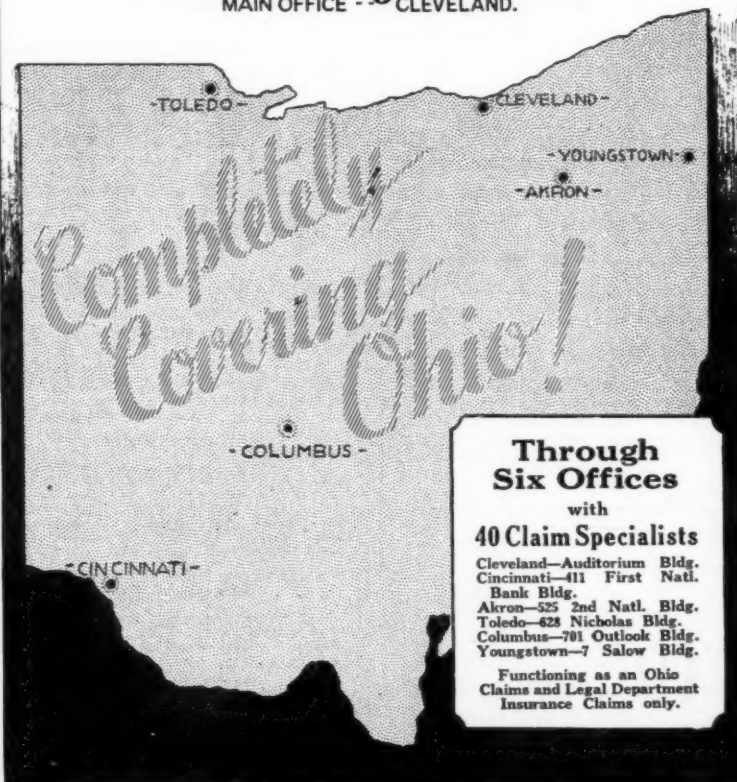
Following the example set by numerous Iowa rural communities, 215 farm owners within a radius of 10 miles of Keystone, Benton county, banded together and purchased a chemical fire fighting outfit costing \$6,600.

Iowa Firemen to Meet

Fire fighters of Iowa will meet at Iowa State College at Ames, Oct. 16-19, for a four-day short course in fire fight-

C.L. HARRIS & COMPANY

*General Adjusters
Risk Surveys & Audits*
MAIN OFFICE - CLEVELAND.



Through Six Offices

with

40 Claim Specialists

Cleveland—Auditorium Bldg.
Cincinnati—411 First Natl. Bank Bldg.
Akron—525 2nd Natl. Bldg.
Toledo—623 Nicholas Bldg.
Columbus—701 Outlook Bldg.
Youngstown—7 Salow Bldg.

Functioning as an Ohio Claims and Legal Department Insurance Claims only.

A · DIRECTORY · OF · RESPONSIBLE INDEPENDENT ADJUSTERS

COLORADO, WYO. AND N. MEX.

Charles F. Wilson Charles W. Krueger
Wilson-Krueger Adjustment Co.
Adjusters of Insurance Losses
All Modern Coverage
840 Gas & Electric Bldg., Denver, Colorado
710 First Natl. Bk. Bldg., Albuquerque, N. M.

DISTRICT OF COLUMBIA

NICHOLS COMPANY
INVESTIGATIONS & ADJUSTMENTS
FOR
INSURANCE COMPANIES
D. C.—Md.—Va.—W. Va.
Suite 625-26-27-28 Bond Building
WASHINGTON, D. C.
Practical, Prompt, & Courteous Service

FLORIDA

F. L. MILLER
Prompt and Efficient Adjustment
Services in Southern Alabama
and West Florida
Box 1488 Pensacola, Fla.

A. H. SMITH
Insurance Adjuster
FIRE — AUTOMOBILE — CASUALTY
Ten Years at Same Location
(Personal Service)
Offices: Tampa—Orlando—West Palm Beach
Headquarters:
1001, 3 & 5 First National Bank Building
Tampa, Florida

ILLINOIS

MATTHEW J. O'BRIEN JOSEPH RICE
CASUALTY SERVICE CO.
INVESTIGATIONS & ADJUSTMENTS
ALL CASUALTY LINES
Insurance Exchange Bldg. CHICAGO

THOMAS T. NORTH
ADJUSTMENT COMPANY
Automobile and Side Line Losses
A Specialty
175 West Jackson Boulevard
CHICAGO

Fire Auto Casualty
Angus B. Ferdinand
BONDED ADJUSTER
715 Jefferson Bldg. Tel. 6057-23818
Over 10 years experience Established Peoria 1922
PEORIA-ILL.

Central Adjustment Bureau
Room 47
Mercantile Bank Building
Quincy, Ill.
Adjustments and Inspections for
insurance companies.
Illinois, Iowa & Missouri

FIRE AUTOMOBILE
J. L. FOSTER
INSURANCE ADJUSTERS
314-1st National Bank Building
SPRINGFIELD

INDIANA

INDIANA ADJUSTMENT CO.
Automobile Adjustments
INDIANAPOLIS
FORT WAYNE
TERRE HAUTE
EVANSVILLE

IOWA

R. Lee Black & Co.
CASUALTY ADJUSTERS
Watch Dog Service
Covering State of Iowa
DES MOINES, IOWA
223 Securities Ph. Mkt. 2339

F. B. TRUSTY
General Adjuster
Inspections—Investigations
20 years experience
Charges Reasonable
704½ Central Ave. Fort Dodge

KENTUCKY

Kentucky Indiana Tennessee
J. H. HARRISON
GENERAL ADJUSTER
1245-47 Starks Bldg., Louisville, Ky.
Phone City 3015

MICHIGAN

A. H. DINNING COMPANY
Insurance Adjusters
Automobile -- Fire -- Marine
944 Free Press Building
DETROIT, MICH.
Phone Randolph 0481

W. A. GIBSON COMPANY
ADJUSTERS
1305 Cadillac Square Bldg.
DETROIT
Fire, Auto, Burglary and Inland Marine

MINNESOTA

LYMAN HANES, Inc.
General Adjusters
for Insurance Companies
DULUTH, FARGO and MINNEAPOLIS

MAIN BAKER & WRIGHT, INC.
General Adjusters
Minneapolis—Fargo—Duluth

MISSOURI

MoKanOkla Adjustment Company
Adjusters for Companies Only
605 Temple Bldg., Wichita, Kansas
615 Midland Bldg., Kansas City, Missouri
517 Insurance Bldg., Oklahoma City, Okla.
640 Kennedy Bldg., Tulsa, Oklahoma

THOS. J. ENGLISH
Specializing on
AUTOMOBILE and CASUALTY
CLAIMS
Pierce Bldg. ST. LOUIS, MO.

NEW ENGLAND STATES

Underwriters Service Association, Inc.
Investigations — Adjustments —
Reports
Casualty, Fire and Miscellaneous Lines.
Insurance Companies Only. New
England Territory
185 DEVONSHIRE STREET
BOSTON, MASS.

NEW YORK

**SYRACUSE AUTOMOBILE
ADJUSTMENT BUREAU**
Onondaga County Savings Bk. Bldg.
Syracuse, N. Y.
Investigations, adjustments, inspections and
insurance credit reports, central and northern
New York territory.

OHIO

INSURANCE SERVICE BUREAU
Claim Examiners — Adjusters — Supervisors
W. E. JACKSON, General Manager
820 Renkert Bldg. Canton, Ohio
Associated with Burt, Kinnison,
Carson & Shadrach, Attorneys
Canton: Dial 5167 Akron: Main 3557

CHARLES E. CURTIS
KEITH BUILDING
CLEVELAND
Thirty-Six Years Company Service

The Central Ohio Adjustment Bureau
THE COLUMBIAN BUILDING
Columbus, Ohio
W. C. BEATTY, Mgr.
ADJUSTMENTS, INSPECTIONS
APPRAISALS
FOR INSURANCE COMPANIES
Specializing in Automobile Losses and
Liability Claims

S. W. OHIO S. E. INDIANA
FRED W. PETERS
INDEPENDENT ADJUSTER
Fire, Tornado and Automobile Losses
1041 Third National Bldg., DAYTON, OHIO

The General Insurance Adjustment Co.
Second National Bank Bldg.
TOLEDO
Clifford L. Rose, Mgr.

OKLAHOMA

THE FULLER ADJUSTMENT COMPANY
Prompt Adjustment Services
Provided in Oklahoma
Offices at
Oklahoma City Tulsa, Okla.
215 Merc. Bldg. 213 Atco Bldg.
Guy H. Fuller, Mgr. L. M. Hallock, Mgr.

PENNSYLVANIA

**ARTHUR R.
BATURIN**
ADJUSTERS
205 Yoffee Bldg. HARRISBURG, PA.

McAndrews Adjusting Agency
Thomas A. McAndrews, Owner
719 Coal Exchange Building
WILKESBARRE, PA.

TEXAS

Bates Adjustment Company
"We have served the companies for
more than twenty-six years"
Offices: San Antonio, Texas; Oklahoma
City, Oklahoma; Tulsa, Oklahoma; Dallas,
Texas; Abilene, Texas; Amarillo, Texas;
Tyler, Texas; and Wichita Falls, Texas

TEXAS (Continued)

JOHN BURKE
Insurance Adjustments
1424 KIRBY BLDG., DALLAS
Especially Qualified From Experience to
Handle Cotton Gins, Oil Field Properties
and Industrial Plants

G. H. MERCIER CO.
Insurance Adjusters
DALLAS & HOUSTON
Send Claim Files to 914 S. W. L. Bldg.,
DALLAS, TEXAS

WISCONSIN

Lee W. Bort, Inc.
Independent Adjusters
Home Office: Beloit, Wis.

MATTHEW J. O'BRIEN JOSEPH RICE
CASUALTY SERVICE CO.
INVESTIGATIONS & ADJUSTMENTS
ALL CASUALTY LINES
A. M. Rice, Mgr., Milwaukee Branch
490 BROADWAY MILWAUKEE

THOMAS T. NORTH
ADJUSTMENT COMPANY
Automobile and Side Line Losses
A Specialty
A. E. S. PRIOR, Mgr., Milwaukee Branch
301 Underwriters Exchange Bldg.
MILWAUKEE

NURNBERG-SCHIFFLER & CO.
General Adjusters
Underwriters Exchange Bldg.
MILWAUKEE
490 Broadway Phones—Broadway 7316
7315

J. S. ADAMS, Oklahoma
Manager of the Travelers,
in an address said:
"I hold in my hand THE
CASUALTY INSUROR. I do
not know where a casualty
agent's \$2 will buy more
current information and
inspiration."

Casualty Insuror,
175 W. Jackson Blvd.,
Chicago, Ill.
Please send me the Casualty Insuror
for 12 months and bill me for \$2.
Name
Address
City

INTER-OCEAN REINSURANCE COMPANY CEDAR RAPIDS, IOWA

Treaties Adapted to the
Individual Company's Needs

FIRE

TORNADO

AUTOMOBILE

Assets \$2,813,006.69

Reserves \$1,797,974.00

Surplus to Treaty Holders \$1,015,032.69

R. M. BISSELL, Pres. JOHN H. GRIFFIN, Vice-Pres. & Mgr.
WILLIAM COLLINS, Sec'y & Treas.

TWIN CITY FIRE INSURANCE COMPANY MINNEAPOLIS, MINNESOTA

The Company That Aims to Excel in Service

**FIRE TORNADO FARM
HAIL AUTOMOBILE TRACTOR**

Organized 1867

WHEELING FIRE INSURANCE CO. WHEELING, WEST VIRGINIA

Capital \$200,000.00

Surplus to Policyholders \$418,320.46

O. E. STRAUCH, Secy. WM. V. FISCHER, Asst. Secy. C. W. VOELLGER, State Agent
SAFE SOLID SOUND

Re-Insurance Corporation of America

Treaty and Facultative Fire Reinsurance

Capital and Surplus, Jan. 1st, 1928, \$1,324,348.38

Horace R. Wemple, President

84 WILLIAM ST.

NEW YORK, N. Y.

ing and fire prevention. The course is conducted through the cooperation of the engineering extension department of the college, the fire marshal and the organized firemen of Iowa.

Deny Good Will Value

LINCOLN, NEB., Sept. 19.—The Nebraska Supreme Court has advanced for an early hearing the appeal of Bert S. Smith from a decision of the district court located in Lincoln, which denied good will value to his half interest in the agency he and John F. Zimmer conducted for years, a partnership ended by Mr. Zimmer. The question, a new one in the Nebraska courts, is whether any good will developed by a general or state agency for insurance companies is of value.

Changes in Phister Agency

KANSAS CITY, MO., Sept. 19.—The Phister Insurance Company announces a number of changes in its organization, which are effective immediately. Leonard C. Kline, formerly of the Leonard C. Kline agency, has become vice-president and a director of the Phister Company. Hoyt S. Nelson, who has been vice-president, is now vice-president and secretary and a director. Spencer F. Harris is treasurer. John H. Goodwin has become associated with the Phister organization. Lawrence H. Phister is the founder and president of the agency.

Cats Meow Entertains

ST. LOUIS, Sept. 19.—In connection with the convention of the Missouri Association of Insurance Agents a luncheon was given for the members by the St. Louis chapter of the Cats Meow.

There were no set speeches and save for a few brief remarks by Edwin Frankman, most powerful meow of the St. Louis chapter, and a response by President Fradenburg of the agents' association the entire time was devoted to enjoying the meal and getting acquainted with your neighbors. Each one present introduced himself to everyone else. This saved time and added to the spirit of good fellowship manifest.

John Keller, most sagacious recorder of the St. Louis chapter, and John O'Toole of F. D. Hirschberg & Co., who is most loyal keeper of the catnip for the national organization, arranged the details of this affair.

Iowa Blue Goose Meets

DES MOINES, Sept. 19.—Fifty members were present at the first luncheon of the Iowa Blue Goose after the summer vacation, Monday. A. C. Hall, most loyal gander, presided, and after the luncheon brought up a number of left over business items that needed adjustment. He also gave a brief account of the grand next meeting at Montreal, as delegate from the Iowa pond. He spoke of some changes in the by-laws and then proceeded to give some of the details of the group life insurance in which the local membership is largely involved. He read a telegram of greeting from J. C. Harris, most loyal grand gander, who expressed the hope of a successful season for the local pond. He promises to make a visit here within the year. Mr. Hall will submit a full report of the proceedings of the meeting at Montreal at the annual meeting in October.

Heart of America Blue Goose

KANSAS CITY, MO., Sept. 19.—The Heart of America Blue Goose held a luncheon and business meeting yesterday in honor of Most Loyal Grand Gander J. Charles Harris. Initiation of four goslings was a feature. At this time the life certificates of insurance under the Blue Goose group policy were presented to the members of the local pond. About 85 members of the pond have taken out policies.

Omaha Agent's License Cancelled

LINCOLN, NEB., Sept. 19.—Commissioner Dumont has cancelled the license of J. T. Garner, Omaha agent, who was held by the county judge of Holt county to have been guilty of misrepresentation. Garner did not appear at the hearing, although advised to do so if he wished to defend his right to sell insurance in Nebraska.

The complainants said Garner represented himself to be selling insurance for the state hail insurance department, which has no agents save the precinct

assessors and collected \$1 each from them. When they got their policies they found they were issued by the Lincoln Hall, an assessment concern. They said he also told them it covered garden truck as well as field crops.

The statute provides that when affidavits shall be signed by two residents of a county alleging misrepresentations, they shall be turned over to the county judge, who shall hold a trial without jury and enter judgment. An appeal to the district court lies from his decision. Commissioner Dumont says two other complaints of a similar nature have been filed in his office and turned over to county judges, who have not yet acted on them.

Fire Preventionists' Annual Meeting

KANSAS CITY, MO., Sept. 19.—The Missouri State Fire Prevention Association will hold its annual meeting in Jefferson City on Sept. 26-27. A worthwhile program is being prepared, although there has been no definite announcement as to the speakers as yet. The two field clubs will hold their annual meetings and election of officers in connection with the fire prevention meeting.

Iowa Notes

Charles Arnold, manager of the Sioux City, Ia., branch of the Iowa Insurance Service Bureau, attended a meeting of the National Electrical Code Association at Denver last week.

Sam Mak of Perry, Ia., has sold his insurance agency at Inwood, Ia., to Clarence Bahnsen. The agency will be known as the Bahnsen Insurance Agency. Mr. Mak found that his duties as special agent and adjuster for the Farmers of Cedar Rapids demanded so much of his time that he desired to give up the agency.

Nebraska Notes

Fred Roeder is under arrest at Hastings, Neb., on a charge of having set fire to a grain separator on a farm near that city and is to have a preliminary hearing as soon as the state fire marshal can get his evidence together.

S. E. Tonseth, insurance man of Norfolk, Neb., is back from a tour of several European countries, in which he studied general as well as insurance conditions. He finds methods and practices much behind the times, viewed from the American standpoint.

J. Burr Taylor, secretary of the Missouri State Fire Prevention Association and western representative of the fire prevention department of the Western Actuarial Bureau, addressed the convention of the Northeast Nebraska Volunteer Firemen's Association at Emerson, Neb., last week on fire prevention.

The Missouri Pacific roundhouse at Lincoln was destroyed by a fire started by lightning, causing total damage of \$25,000. Three locomotives, a motor car and machinery were damaged. The fire had gained too great headway when discovered to do more than protect the machinery as much as possible.

Among the new corporations granted permission to do business in Nebraska is the Central-West Insurance & Finance Corporation of Omaha, with an authorized capital stock of \$25,000. Incorporators are Alvin H. Smith, John E. Hoffman, Henry B. J. Meyer, Sam Drescher, William Purnell, J. Arthur Christie and Charles E. Foster.

Missouri Notes

Clem E. Wheeler of Chicago, assistant general agent of the Hartford, is in Kansas City this week, visiting the R. B. Jones & Sons agency.

A loss estimated at between \$50,000 and \$75,000 occurred in the factory of the Zahner Manufacturing Company, Kansas City, Mo., Sept. 15. Smoke from burning rubber overcame four firemen who were fighting the fire.

Arkansas Notes

The interest of Mrs. Sarah E. Brain in the Brain Loan & Insurance Company, Stuttgart, Ark., has been acquired by C. J. Brain, who has been a partner in the business for the past eight years. The agency was established by Mrs. Brain's husband, Sidney Brain, who died in 1920.

Robert B. Green has assumed management of the insurance department of the L. C. Holman agency, Little Rock, Ark. He has been actively engaged in the fire and casualty field in Little Rock and Arkansas for 15 years. He was for seven years with the insurance department of the Southern Trust Company and six years with the insurance department of the Peoples Savings Bank.

SOUTHWESTERN FIELD

BOARD OUTLAWS ANNEXES

Tulsa Fire & Casualty Insurance Association Prohibits Representation of All Underwriters Agencies

TULSA, OKLA., Sept. 19.—At a meeting of the Tulsa Fire & Casualty Insurance Association a resolution was passed prohibiting any member from representing an underwriters agency or the parent company, or in fact any company which has an underwriters annex. Prior to the time that the present local board was functioning successfully, there were two local organizations here. The original one was the Tulsa Fire Board. It had a rule prohibiting underwriters annexes but the newer one, which went under the name of the Tulsa Fire & Casualty Club, had no such provision. When the two organizations were merged about 18 months ago, in order to care for a few offices that were affected, the underwriters agency rule was eliminated. Members were permitted to represent annexes for the parent company that had an underwriters agency in Tulsa.

Given 90 Days to Clear

During the last few months the agents here state that there has been a tendency on the part of some companies to plant their underwriters agencies in the city. Therefore, to combat this growing condition the Tulsa Fire & Casualty Insurance Association found it necessary to take action. Offices have been given 90 days to clear. Officers state that the association will rigidly enforce this rule and also the one concerning dual agencies.

A number of Tulsa agents have gone to the convention of the National Association of Insurance Agents at West Baden Springs this week. Ray H. Siegfried, president of the local board, is the official delegate of the organization.

TO CONSOLIDATE BUREAUS

Change Strongly Advocated in Platform Adopted by Democratic State Convention in Dallas

DALLAS, Sept. 19.—Consolidation of bureaus and commissions to avoid duplication of work is strongly advocated in a plank of the platform adopted by the Democratic state convention held at Dallas last week. The plank was proposed by Governor Dan Moody. It proposes the consolidation of the Industrial Accident Board, the Bureau of Labor Statistics and the Board of Insurance Commissioners. These three departments are now operated separately.

Consolidation Plank

The consolidation plank is as follows:

"It is our belief that the creation of commissions, departments and bureaus has involved unnecessary burdens upon the public revenue. New positions have been created, resulting in duplication of effort in the public service. Whenever additional governmental duties are undertaken they should be assigned to existing departments. We believe that the legislature can, without impairing the public service, consolidate existing departments, bureaus and commissions and thereby reduce the number of departments and employees necessary to conduct the public affairs. We suggest to the legislature the desirability of effecting a coordination of effort and activity between the Industrial Accident Board, the Bureau of Labor Statistics and the Insurance Commission. This would eliminate some of the duplications existing and generally conserve

MERCHANT

SUPER-AUTOMATIC
A Calculating Machine

TO CLEAR DIALS YOU PRESS KEY

Clearance is automatic—lightning fast eliminating all handle "cranking."

TO MULTIPLY PRESS ANOTHER KEY

Multiplication also is automatic—result appears instantaneously.

Write or
consult
your
phone
book

BEFORE YOU
DECIDE SEE
MERCHANT.



15 YEARS
BUILDING
CALCULATING
MACHINES—
AND NOTHING
ELSE

MULTIPLICATION
DIVISION
ADDITION
SUBTRACTION

MERCHANT
SUPER-AUTOMATIC
MERCHANT CALCULATING MACHINE CO.
New York Chicago Oakland London
Sold and serviced in all principal cities
of the world.

RATE REDUCING APPLIANCES

Non-Explosive Safety Cans and
Automatic Oil Waste Cans

Each can bears the label of the
Underwriters' Laboratories and
the Associated Factories Mutual
Fire Insurance Companies.

Justrite Manufacturing Co.
2067 Southport Ave., Chicago, Ill.



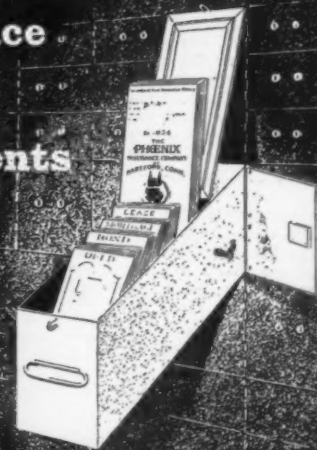
SOUND UNDERWRITING CAPABLE MANAGEMENT ALERT TO SERVE BOTH AGENTS AND THEIR CLIENTS

Capital - - - - \$750,000.00

Surplus - - - - 729,436.50

Surplus to Policyholders - - \$1,479,436.50

Sound Insurance backs Safe Investments



AMERICAN NATIONAL FIRE INSURANCE COMPANY

8 East Long Street

COLUMBUS, OHIO

Capital \$500,000

CHARLES G. SMITH, President
JESSE E. WHITE, Vice-President JOHN A. DODD, Vice-Pres. and Sec'y
GEORGE E. KRECH, Secretary
ALLEN W. FLEMING and E. PHILLIP GUSTAFSON, Assistant Secretaries

Progressive, Yet Conservative

Operating Along Sound Lines

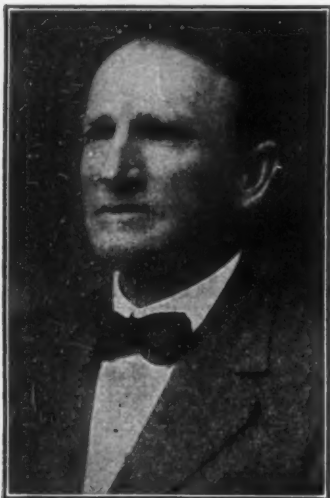


Its Name Indicates Its Character

the public revenues and the party recommends that such steps be taken by the 41st legislature."

E. B. NORMENT DIES AT PARIS, TEX., HOME

E. B. Norment, member of the firm of Norment & Broad, local agents at Paris, Tex., died Saturday after a brief illness. Mr. Norment had been an active business man in Paris for 40 years and was a prime mover in all civic affairs of import in his town. He had been active in the Texas Association of



E. B. NORMENT

Insurance Agents almost ever since its organization and had held many official positions in that association.

WILL REPORT TO CHICAGO

Texas Farm Agents of Liverpool & London & Globe Are Given Notice of New Arrangement

Texas farm agents of the Liverpool & London & Globe and the Star, heretofore reporting their business to New York, are being advised by circular from United States Manager Harold Warner that effective Oct. 1 all farm writings will be under the supervision of a specializing farm department of the company at Chicago, F. C. Dauwalter, superintendent.

Mr. Warner is also announcing the appointment of T. F. Latta as farm state agent in Texas. He was formerly assistant superintendent of the farm department of the Aetna at Atlanta, prior to which he occupied a position as farm special agent in Texas. W. O. Edgington has been appointed farm special agent for Texas. These representatives of the farm department will cooperate closely with the other field representatives in that state. The office address of Mr. Latta and Mr. M. Edgington is Allen building, Dallas, Texas. Special Agent J. M. Walker has resigned to reengage in the local business at Houston.

It is confidently expected that the placing of the farm business of Texas under the supervision of a highly specialized and well organized farm department at Chicago will operate to the distinct advantage of agents, and that through the assistance to be rendered by the newly appointed farm field representatives a more aggressive policy can be pursued, and increased service rendered to agents.

APPOINT J. W. DEWEESE TEXAS COMMISSIONER

AUSTIN, TEX., Sept. 19.—Governor Moody has announced the appointment of J. W. Deweese of Paris, Lamar county, as fire insurance commissioner

to fill the unexpired term of the late Thomas Mitchell Campbell, Jr., who died Aug. 26. The governor announced Mr. Deweese had accepted the appointment. The term of Mr. Campbell would have expired next February.

Assuming that he will be reappointed at the expiration of this term, Mr. Deweese will serve another term of two years. R. B. Cousins, chairman of the board of insurance commissioners, said, Mr. Deweese is a former mayor of Paris and has been engaged in the insurance business 18 years.

Announce Oklahoma Speakers

Charles T. Evans, vice-president of the Home Fire of Little Rock, and Spencer Welton of New York, president of the New York Indemnity, are scheduled among the principal speakers at the annual convention of the Oklahoma Association of Insurers to be held in Oklahoma City, Oct. 17-18.

Bureau Field Men Elect

At the Oklahoma Bureau Field Club meeting in McAlester, Okla., the following officers were elected: H. N. McCool, Security, president; R. R. Ross, Agricultural, first vice-president; H. E. Benson, Firemen's, second vice-president; L. C. Dame, U. S. Fire, secretary-treasurer. All Bureau field men were in attendance and the following company officials: Ralph Rawlings of Rawlings & Hewett, western managers of the Boston and Old Colony; J. W. Gregory, assistant manager western department of the U. S. Fire; Fred D. Hess of the western department of the American; E. T. Tanner of the Security.

New Arson Investigator

OKLAHOMA CITY, Sept. 19.—Elmer Vrooman of Indianapolis has been appointed by the National Board to assist in investigations of suspicious fires brought to the attention of the state fire marshal's office. Mr. Vrooman has already assumed his new duties. He has much experience in this line of work, having been for 20 years conducting similar investigations with the fire marshal's office of Indiana.

Fire Prevention in Schools

OKLAHOMA CITY, Sept. 19.—Before Oct. 1, 5,000 booklets on fire prevention work will have been distributed among the schools of the state, according to E. R. O'Neill, state fire marshal. In the booklets is comprised a brief course of study in fire prevention work. The fire marshal's office is working in cooperation with the state school superintendent and will introduce the course in the majority of state schools, Mr. O'Neill said.

New Camden, Ark., Ordinances

CAMDEN, ARK., Sept. 19.—Eight fire ordinances passed by the city council will reduce fire insurance rates. They were introduced at the request of the Fire Prevention Bureau. One ordinance includes a 5-mill tax levy for general purposes, and a one-half mill tax for the retirement of the bonds issued to purchase fire equipment. Other ordinances pertain to fire zoning and inspection.

Arkansas August Losses

LITTLE ROCK, ARK., Sept. 19.—Fire in Arkansas in August caused property loss of \$300,823, according to the monthly report of the Arkansas Fire Prevention Bureau. There were 124 fires during the month, the largest loss from one fire being at Mansfield, where a fire in the business district cost merchants \$55,000.

Hearing on Dallas Controversy

AUSTIN, TEX., Sept. 19.—Official hearing before the Board of Insurance Commissioners on the petition of the city of Dallas seeking to avert a 5-cent penalty if steel mains are used in extensions of the waterworks system instead of standard cast iron has been set for Oct. 3. Several conferences have already been held between department officials and representatives of Dallas interests but no definite decision has yet been reached. The entire matter is to be threshed out at the hearing.

T. M. Campbell, Jr., the late fire insurance commissioner, laid down an ultimatum to Dallas officials that the use

of mains other than those made of cast iron as approved by the Underwriters Laboratories would call for the 5-cent penalty on the key rate.

Form Adjustment Company

The Hanson-Burrow Company has been formed by Walter S. Hanson and Tom M. Burrow to handle general insurance adjustments for the companies. The new organization will be located at 314 Mercantile building, Oklahoma City, Okla.

Prudential Planting Rapidly

OKLAHOMA CITY, Sept. 19.—Since being launched in the insurance world July 1 the Prudential Fire has planted 50 agencies in the better towns and cities of Oklahoma, according to T. E. Braniff, president.

Insurance Men Burglar's Victims

PINE BLUFF, ARK., Sept. 19.—Perhaps intentionally and with a sense of humor, a sneak thief working around Pine Bluff has been stealing only from insurance men. He entered the home of R. F. Ezell of Taylor & Co., first, getting \$35 in cash. This was the third time the house had been burglarized. The residence of Tracy Mills of R. H. Mills & Son and George Wells of the Home Insurance Agency also have come in for attention, the Mills' home being entered twice.

Would Strengthen Arkansas Laws

LITTLE ROCK, ARK., Sept. 19.—Further protective measures against fire loss in Arkansas by the infliction of severe penalties carrying fines and prison sentences, and which would be made cumulative to present statutes relating to arson and frauds against insurance companies, have been formulated by A. D. Dulaney, assistant insurance commissioner, and legislation in this direction will be asked at the next session of the legislature.

On the question of destruction of insured property the department, Mr. Dulaney said, will ask that a law be enacted whereby any person who willfully burns or in any other manner injures or destroys any property whatsoever, which is insured at the time against loss or damage by fire, or by any other casualty, with intent to defraud or prejudice the insurer, whether the same be the property of such person or of any other, would be punishable by imprisonment in the penitentiary not exceeding seven years and not less than four years.

On the subject of false proof of loss in insurance, Mr. Dulaney has proposed the following statute: "Any person who presents or causes to be presented any false or fraudulent claim, or any proof in support of any such claim, upon any contract of insurance for the payment

of any loss, or who so prepares, makes or subscribes any account, certificate, survey, affidavit, proof of loss or other book, paper or writing, with intent to present or use the same, or to allow it to be presented or used in support of any such claim, is punishable by imprisonment in the penitentiary not exceeding three years, or by a fine not exceeding \$1,000, or both."

Oklahoma Notes

C. T. Ingalls, manager of the Oklahoma Inspection Bureau, left Saturday for a week's business trip to Chicago.

Kenneth A. Cramer of the general agency firm of Ellis, Nicholson & Cramer, Oklahoma City, is home from a vacation trip to California.

E. R. Ledbetter, Oklahoma City local agent, has been named chairman of the finance committee of the state junior chamber of commerce.

L. C. Dame, Oklahoma state agent for the United States Fire and North River, has returned from a visit to the western department offices at Freeport.

Peyton Harrison, who recently underwent a serious operation, has recovered and has returned to his desk as Oklahoma state agent for the Cotton Insurance Association.

Arthur Burkett and Reuben G. Lewis, formerly connected with the Eacock agency, have opened offices in the Petroleum building in Oklahoma City under the firm name of Burkett & Lewis and will do a general insurance business.

Arthur Head, president of the Oklahoma City Association of Fire & Casualty Underwriters; L. I. Baker, secretary of the same organization, and M. B. Breeding, secretary of the Oklahoma Association of Insurers, are attending the annual convention of the National Association of Insurance Agents at West Baden, Ind.

Texas Notes

The regular weekly luncheons of the Texas Blue Goose, which have been suspended during the summer months, were resumed last week.

License was issued by the Texas department last week to the Sylvania of Philadelphia. The Southwestern General Agency of Galveston was designated as general agent.

The largest dry goods store in Lampasas, Tex., burned last week with a loss of \$100,000. Hard work of the firemen saved the warehouse and adjoining structures from destruction. The loss is fully covered by insurance.

Eight large storage tanks of oil at the Star Refining & Producing Company in Fort Worth, Tex., burned for 16 hours, consuming more than \$50,000 of crude oil. Fire Chief Ferguson directed the efforts of the firemen so ably that more than 20 other tanks exposed by the fire were saved.

Thirty thousand bags of sugar, valued at \$6 a bag, netted \$180,000 loss to the owners who had stored the stock in the Hawkins Warehouse Company when it burned in Dallas. Other losses ran the total figures from the fire to above \$400,000, the largest fire loss sustained in any one blaze in Dallas during the year.

IN THE SOUTHERN STATES

INCORPORATE KENTUCKY BODY

Federation Formed Following Suggestion of Commissioner Sausley—Dixon and Wilson Among Incorporators

FRANKFORT, KY., Sept. 19.—The Kentucky Insurance Federation was incorporated this week following the suggestion of Commissioner S. M. Sausley at the last meeting of the insurance men of the state. The purpose of the organization is to foster, encourage, protect and promote the welfare and interests of the insured, insurers and those engaged in the insurance business. Many other states have similar organizations which have been very successful and effective in promoting the welfare of insurance business. The incorporators of the new organization are: R. C. Dixon of Frankfort, former deputy insurance commissioner; Harry B. Wilson, of Irving, president of the Kentucky Association of Insurance Agents, and M. J. Farris, Jr., of Danville.

New Tennessee Rules

NASHVILLE, TENN., Sept. 19.—Tennessee local agents are studying the

new rates and rules promulgated by the Tennessee Inspection Bureau. The agents realize that most of the companies have found Tennessee unprofitable and especially on unprotected property. However, many are opposed to cutting down the amount an owner may carry on his mortgaged or unmortgaged property, compelling him to insure below the value. Under the new rules a three-fourths value clause must be attached to all unprotected property and a one-fourth clause to all vacant property. Many of the agents would have preferred an increase in rates on these classes rather than a rule forcing the owner to carry less than his property is worth.

Ehlers Again Made Secretary

C. W. Ehlers, assistant secretary of the Savannah Fire, was reelected secretary of the Southern Insurance Exchange at its meeting at Asheville, N. C. The meeting elected the Birmingham Fire to membership. Alabama was added to the territory within the jurisdiction of the exchange. The other states in the jurisdiction are Virginia, North and South Carolina, Georgia, Florida, Texas and the District of Columbia. The secretary reported that

for the first six months of 1928 the exchange received \$278,000 in premiums and that the loss ratio was 37 percent.

New Virginia Rate Clerk

RICHMOND, VA., Sept. 19.—Earl B. Combs has been appointed assistant rate clerk in the Virginia bureau of insurance. He will assist Miller O. Stout, rate clerk, in looking after rating matters in the bureau, and will draw a salary of \$2,400 a year. For several years he has been connected with the statistical department of the Virginia industrial commission. He is a son of E. R. Combs, state comptroller. Addition of another clerk in the rating section of the insurance bureau was rendered necessary by the increased work that has developed since the state corporation commission assumed jurisdiction and control over rate matters and launched investigation into rates.

Shanks Trial Still Under Way

FRANKFORT, KY., Sept. 19.—The trial of William H. Shanks of Richmond, Ky., on a charge of appropriating \$12,400 of the state's money in his office while state auditor and head of the insurance department, is still under way.

Heavy Louisville Lumber Loss

LOUISVILLE, Sept. 19.—After several weeks without any serious fire losses in Louisville the companies were hit for around \$150,000 in a fire Saturday afternoon in one of the lumber drying kilns of the Norman Kiln Drying Company, which later spread to the yards of the Norman Lumber Company, an affiliated company, adjoining. Of the 20 dry kilns 12 were virtually destroyed, with contents. There was about 700,000 feet or more of hardwood in the kilns that was destroyed. About 200,000 feet of lumber

on the adjoining yard was also burned, but mill buildings of the Norman Lumber Company were saved. About five cars of lumber on sidings were also destroyed.

There was \$215,500 insurance involved on both properties and stocks. The Firemen's of Newark had \$80,000; Globe & Rutgers, \$62,500; Bankers & Shippers, \$2,500; Republic, \$5,000; Public, \$18,000; Pennsylvania Lumbermen's, \$7,500; Lumbermen's of Mansfield, O., \$7,500; Lumbermen's of Boston, \$7,500; Indiana Lumbermen's, \$25,000. The four latter companies, all mutuals, had \$47,500 on the Norman Lumber Company values, but were not on the kilns or contents, where the greatest loss will be experienced.

Plan Big Lexington Meeting

Officers of the Kentucky Fire Prevention Association are planning for a big meeting at Lexington, Ky., Oct. 24-25. Harry K. Rogers, the "fire clown" from the Western Actuarial Bureau, and Richard E. Verner, manager of the fire prevention department, will attend the meeting at Lexington.

Appoint Fire Prevention Committees

LOUISVILLE, KY., Sept. 19.—E. A. Parsons, president of the Kentucky State Fire Prevention Association, has announced the following committee chairmen for the coming year: Executive, George L. Frank; speakers, J. V. Bowman; publicity, E. O. Redwitz; fire waste and public relations, B. B. Bean; farm, G. C. Cundiff; fire department and waterworks, S. G. Render; schools, A. I. MacPherson; arrangements, E. T. Lawrence.

Louisville Losses Larger

LOUISVILLE, Sept. 19.—The fire loss of Louisville for the first eight months of 1928 is \$478,684, which is a substantial increase over the 1927 figure of \$424,530.

ON THE PACIFIC COAST

NEVADA AGENTS ORGANIZED

California Men Stop Off at Reno on Way East to Assist in Launching New Association

RENO, NEV., Sept. 19.—Harry R. Schroeter, president of the California Association of Insurance Agents, P. S. W. Ramsden, secretary, and H. J. Thielen, past president of the association, stopped off in Reno, en route to the National association convention at West Baden, long enough to assist in the organization of the Nevada Association of Insurance Agents. At a luncheon, which was attended by local agents from all parts of the state, the new association was formally launched with Louis W. Trankle of Yerington, president; E. R. Simms, Sparks, vice-president; M. R. Gregory, Reno, secretary-treasurer. The officers, with J. M. Leonard of Virginia City and R. T. Walker of Fallon, will act as the executive committee.

The first efforts of the new association will be devoted to having an agency qualification law adopted at the coming session of the Nevada legislature. The agents are enthusiastically behind the movement and expect to build a strong organization.

Dennis Visits Coast

W. L. Dennis of Houston, Tex., president of the Fidelity American, is on a trip to the Pacific Coast accompanied by Mrs. Dennis. His visit to California is in connection with the licensing of his company in the state. The company will be represented in that territory, it is understood, by R. H. Jenkins, general agent at Los Angeles, who also maintains branch offices at San Francisco and Seattle.

Burns Made General Agent

Frank Burns has been appointed Oregon and Washington general agent for the Public Fire of New Jersey. Announcement has also been made by William Schaefer, vice-president of the Empire Fire of New York of Mr. Burns'

appointment as executive general agent in charge of the Pacific coast and Rocky Mountain departments.

Mr. Burns is an insurance executive and broker of 20 years' experience. He is opening offices at 6657 White-Henry-Stuart building, Seattle. Gordon Pettit, formerly with Fiskens & Co. and the General of Seattle, has been named office manager by Mr. Burns.

Cover New City Hall

LOS ANGELES, Sept. 19.—Coverage amounting to approximately \$5,000,000 on the new city hall of Los Angeles was authorized recently by the board of public works of this city and is being written on a 70 percent coinsurance clause. The insurable value of the building is estimated at \$4,000,000 and furniture and fixtures at \$2,000,000. The coverage has been written on a three-year basis, details having been handled by the city and county committee of the Los Angeles exchange in cooperation with the board of public works.

Opens Spokane Branch

The Charles B. DeMille agency of Seattle has opened a Spokane branch at 406 Mohawk building in charge of Frank Barrett. The territory of eastern Washington, Idaho and Montana will be covered by Mr. Barrett.

The DeMille agency will in the future be general agents for the Milwaukee Mechanics in western Washington and British Columbia. The agency has also entered the Trinity Fire in Idaho.

New Portland General Agency

PORTLAND, ORE., Sept. 19.—A new Portland general agency has been incorporated under the name of the Portland General Agency, with A. A. Hampson, president; G. L. Buland, vice-president, and C. J. Young, secretary. It will represent the Mohawk Fire of New York. The officers are all attorneys and Mr. Buland is licensed by Detroit Fidelity & Surety.

Blanket Club Opens Season

SEATTLE, Sept. 19.—The Blanket Club of Seattle opened its season with a dinner, at which the speakers were H. J. Bergren, manager of the Martin General Agency, and Maurice Jackson, manager of the casualty department of the Ameri-

can Insurance Agency. Mr. Bergren's subject was "Mutual Insurance and Its Origin." Mr. Jackson spoke on casualty coverages and underwriting.

The Blanket Club is an organization of young men in all lines of insurance. The age limit for membership entrance is 32. The total membership is 30 and the club is two years old. Robert K. Hodges, manager of the fire insurance department of Seeley & Co., is president.

Oakland Association Elects

The Oakland, Cal., Association of Insurance Agents elected the following officers: Floyd M. Lane, president; Douglas Evey, first vice-president; Robert V. Miller, second vice-president; Edgar H. Bennet, treasurer; A. C. Hopeher, secretary; executive committee, Harry R.

Schroeter, H. H. Hollidge, Harry W. Spencer, L. H. McPherson, John A. Eggers and Wm. T. Robertson.

Coast Notes

The Oregon department has licensed the First American, Rochester American and Empire Fire of Brooklyn.

H. O. Fishback, insurance commissioner of Washington, was unopposed on the Republican primary ticket and his reelection is conceded by political forecasters.

Wenatchee, Wash., will probably have to float a bond issue to provide funds for building up its fire protection equipment, according to report of the Washington Surveying & Rating Bureau, which has found protection inadequate and the fire department insufficiently manned.

NEWS FROM EASTERN FIELD

WORCESTER MEN ASK RELIEF

Local Agents Protest Against Branch Offices and Mutuals and Request Higher Commissions

From local agents of Worcester, Mass., the fire companies operating in that city have received a request for protection against branch offices and mutuals and for higher commissions. In part the request is as follows:

"In the fall of 1926 we were told that a company organization was being formed that would abolish the evils of our business and bring order out of chaos. All companies were to treat agents fairly and equally. On January 1, 1927, their regulations became effective and we were asked to sign agency agreements. These agreements were not signed at that time because even at that early date inequalities of treatment had been suspected and it was not long before it became apparent that special privileges prevailed in local branch offices.

Attracted Brokers

"This branch office situation attracted many brokers from our offices and from the mutual companies, so that the mutuals, of which there are two strong home offices in Worcester, announced a 20 per cent rate of commissions to all agents and brokers alike. The mutuals equally with the branch offices have been reaping a harvest at your expense as well as our own. With the growing volume of the mutual companies we believed it would be well-nigh impossible to induce them to consider a lower rate of brokerage. This 20 percent cash paid by the branch offices carries with it to a score or more of brokers the expense of every item of overhead and amounts in reality to as much as 28 percent. We know that at least six substantial agencies of many years' standing have been approached by these branch offices with very attractive propositions, and one besides these six has already accepted their offer. There is no question of capacity of these branch offices to accept total lines with their reinsurance facilities; they have demonstrated that as well as the mutual companies with their stock company support.

Believe Mistake Made

"You are familiar with the delay of the Eastern Underwriters' Association in accepting the brokerage rule of the Worcester Board which permits of 15 percent to policy-writing agents and 10 percent to all others by whatever title designated; and that with final acceptance of the rule, and with complete disregard to all which was to be the basis of the organization, privileges were granted to branch offices which nullify the board rule. This looked for action convinces the Worcester agents that they signed agreements under a misapprehension with the result that many do not consider themselves bound to any degree by their terms.

"We are and always have been in

favor of organization. Organization for the good of all concerned as well as the deserved benefit of each unit interested. At the time the organization of the Eastern Underwriters' Association we anticipated good faith on the part of all concerned as well as good results for all concerned and in that belief, lent our cooperation.

"What is the present experience? We find our individual income reduced below the point of profit under the reduced commission, probably more than a hundred brokers with good business going to the branch offices and mutuals and all of the brokers shouting the benefits of mutual insurance to the public.

"All of this is almost directly the result of conditions imposed by the E. U. A. and we are being forced to place more and more of our business with these mutual companies.

Higher Remuneration Asked

"For 18 months we have given the 20 percent a fair trial and find that under present conditions of rent, wages, etc., the business cannot be conducted in Worcester on that margin. We have no quarrel with the smaller communities where, because of nominal overhead, the 20 per cent has been a great boon. We do not question the justice of a higher rate in Boston and other large centers where the overhead is much larger than ours. But we do insist that by the same rule of justice and common sense the class of cities ranging from 150,000 to 250,000 is entitled to such a medium rate as will meet our overhead and give us a reasonable return for our investment and labor. That we are not now receiving.

"We ask a rate of commission which shall award us a modest living and a dollar for old age, and preserve our self-respect by making us underwriters instead of premium collectors. The minimum at which this can be done, as demonstrated two years ago, is 25 percent and 10 percent contingent.

"We request your earnest consideration of this presentment and an early response either by favorable action through the Eastern Underwriters' Association or committee conference."

Massachusetts Agents' Meeting

The annual meeting of the Massachusetts Association of Insurance Agents will be held Oct. 24 at the Hotel Statler in Boston. There will be a luncheon at 1 o'clock and the business meeting will follow. The date for the meeting was fixed at a meeting of the executive committee of the association in Boston last Saturday. Details of the program will be announced later.

New England Exchange Meeting

BOSTON, Sept. 19.—Frederick R. Campbell, special agent of the Fireman's Fund for New England, was elected an active member of the New England Insurance Exchange at its September meeting. R. T. Cairns and A. M. Dexter were appointed to the supervising committee of the improved risk department.

W. J. Helm was appointed chairman of the Woonsocket, R. I., committee; C. H.



Insurance Attorneys



A Directory of Responsible Attorneys Specializing in Insurance Law

ALABAMA

LANGE, SIMPSON & BRANTLEY

929-32 First National Bank Building
Birmingham, Alabama

ARKANSAS

HORACE CHAMBERLIN

EXCHANGE BANK BUILDING
LITTLE ROCK, ARKANSAS

CALIFORNIA

JOHN L. DYER

Attorney

Specializing in all phases of Fire, Life and
Casualty Insurance Litigation
Suite 329 Citizens National Bank Building
LOS ANGELES, CALIFORNIA

CANADA

Mehr & Mehr

Barriers & Solicitors
Canadian Pacific Building
Toronto, Ontario
Counsel for National Surety Company, Lon-
don Guarantee & Accident Company Limited
and United States Casualty Co.

COLORADO

H. Berman Fred N. Holland
BERMAN & HOLLAND
(Successors to D. L. Webb)
DENVER, COLORADO
Representing: Royal Indemnity Co.—Indemnity In-
surance Co. of N. A.—Western Automobile In-
surance Co.—Central Surety & Insurance Co.—Em-
ployers Indemnity Co.—U. S. Automobile Insurance
Exchange.
Completely equipped claim department

FLORIDA

JACKSON, DUPREE & CONE

Citrus Exchange Building
TAMPA

GEORGIA

Bryan and Middlebrooks

Atlanta Candler Building GEORGIA
Shepard Bryan W. R. Tichenor
Grover Middlebrooks W. Colquitt Carter
Chauncey Middlebrooks Edward B. Everett, Jr.
O. W. Russell M. H. Meeks
FIRE LIFE AND CASUALTY
Insurance Litigation in the Southern States

ILLINOIS

ALFRED R. BATES

ATTORNEY AT LAW
189 W. Madison Street
CHICAGO

Frederick A. Brown

1518 Otis Building
CHICAGO

Cassels, Potter & Bentley

1060 The Rookery
CHICAGO

ILLINOIS (Con.)

EKERN & MEYERS

Insurance Attorneys
208 So. La Salle St.
CHICAGO

HICKS & FOLONIE

231 So. La Salle St.
CHICAGO

Silber, Isaacs, Silber & Woley
Attorneys & Counselors
HOME INSURANCE BUILDING
CHICAGO
Special Attention to the Law of
Fire Insurance and Taxation

JOHN E. CASSIDY

ATTORNEY

Facilities to attend Investigations,
Adjustments and Litigation in
Central Illinois
1004 Peoria Life Bldg. PEORIA

CHARLES S. ANDRUS
Attorney
Specializes in Casualty work, includ-
ing investigations.
614 First National Bank Bldg.
SPRINGFIELD

BROWN, HAY & STEPHEN

714 First National Bank Bldg.
SPRINGFIELD

INDIANA

George A. Henry Delbert O. Wilmeth
HENRY & WILMETH
Insurance Attorneys
504-5 Meyer-Kiser Bank Building
Indianapolis, Indiana
Specially equipped to handle
Investigations—Adjustments—Litigation

Slaymaker, Turner, Merrell,
Adams & Locke
Attorneys specializing in All Phases of
Fire, Marine, Life & Casualty
Insurance Litigation
751-760 Consolidated Bldg.
INDIANAPOLIS

IOWA

Jesse A. Miller I. D. Shuttleworth
E. J. Kelly J. R. McManus
Oliver H. Miller Frederic M. Miller
Miller Kelly Shuttleworth & McManus
LAWYERS
1315-1318 Equitable Building DES MOINES

IOWA (Cont.)

Henry E. Sampson Sidney J. Dillon
SAMPSON & DILLON
Attorneys and Counselors at Law
Suite 601 Register & Tribune Bldg.
DES MOINES

KANSAS

HARRY W. COLMERY

612 New England Building
TOPEKA, KANSAS

MICHIGAN

M. J. KOSLOW

ATTORNEY-AT-LAW

Personal attention given to
Insurance Claims—Investigations
Adjustments and Legal Work
611 Free Press Bldg., Detroit, Mich.

Walters, Hicks, Carmichael & Head
(Formerly Henry C. Walters, and Walters
& Hicks)
ALL LINES
Represent Companies Only
916-20 Ford Bldg.
DETROIT

DUNHAM & CHOLETTE

ATTORNEYS AT LAW
1012-1016 Grand Rapids National Bank Bldg.
GRAND RAPIDS

THOMAS, SHIELDS & SILSBEE

LAWYERS
American State Savings Bank Bldg.
LANSING

MINNESOTA

ERNEST E. WATSON
All Lines
Represent Companies Only
Including Defense of Negligence
936 Andrus Bldg. Minneapolis

BUNDLIE & KELLEY

SAINT PAUL

SEXTON, MORDAUNT & KENNEDY
ATTORNEYS AND COUNSELORS
Adjusters and Investigators sent to any
place in the Northwest
1601 Pioneer Building
ST. PAUL

MISSOURI

COWGILL & POPHAM

Attorneys and Counselors at Law
Commerce Building
Kansas City, Missouri

MISSOURI (Cont.)

STRINGFELLOW & GARVEY
Donnell Court, ST. JOSEPH, MISSOURI
Attorney for: Aetna Life, Aetna Casualty &
Surety, American Surety, F. & D. of Md.,
Gen. Acc. Assur. Corp., Georgia Casualty,
Globe Indemnity, Independence Indemnity,
Preferred Accident, Royal Indemnity, Stand-
ard Accident, Union Indemnity, U. S. Auto,
Ins. Exx.

NEW JERSEY

SAMUEL M. HOLLANDER
COUNSELOR AT LAW
Chamber of Commerce Bldg., Newark, N. J.
Telephone 1146-1 Market
Specialist in the Law on Breach of Warranty
and General Insurance Cases

OHIO

Rees H. Davis Fred J. Young Clare M. Vrooman
DAVIS, YOUNG & VROOMAN
Attorneys at Law
General Insurance, Fire, Casualty & Surety
Practice. Also facilities for investigations
over Southern Ohio.
Guardian Bldg. CLEVELAND

JOHN H. McNEAL

Trial Lawyer

1367 E. Sixth St. Cleveland, O.
Representing—Continental Cas. Co.; Zurich
Gen. Acc. & Liab. Ins. Co.; Eagle Ind. Co.;
Central West Cas. Co.; New Amsterdam
Cas. Co.; Republic Cas. Co.; U. S. Guar.
Co.; Am. Guar. Co.; Ind. Co. of Am.; and
many others.

KNEPPER & WILCOX

Outlook Building
COLUMBUS

MATHEWS & MATHEWS

Attorneys At Law
25 North Main Street
DAYTON

DENMAN, MILLER & WALL

TOLEDO

Harold W. Frazer Stanley J. Hiatt
Hampton G. Wall George R. Effler
John W. Winn, Jr. R. W. Shumaker
H. T. Hanley
Fraser, Hiatt, Wall & Effler
ATTORNEYS
Suite 710 Home Bank Building
TOLEDO, OHIO

Marshall, Melhorn, Marlar & Martin
1032 Spitzer Building TOLEDO
Edwin J. Marshall John A. Smith
Donald F. Melhorn Thomas J. Lynch
Thomas O. Marlar Leland H. Notmager
Ray Martin C. A. Zinn
Albert T. Goorley Henry R. Bloch
Elwyn G. Davies John M. Kiskadden

Arthur Morgan Erskine Maiden, Jr.
MORGAN AND MAIDEN
ATTORNEYS-AT-LAW
704-5 First National Bank Building
YOUNGSTOWN, OHIO

Insurance ATTORNEYS

A Directory of Responsible Attorneys Specializing in Insurance Law

OKLAHOMA

CARL KRUSE
FRANK FRANTZ, JR.
309-11 American Nat'l Bank Bldg.
ENID, OKLAHOMA

**Rittenhouse, Lee, Webster &
Rittenhouse**
American National Bank Bldg.
OKLAHOMA CITY

FAIR & CROUCH
KENNEDY BUILDING
TULSA

SOUTH DAKOTA

McNulty, Williamson & Smith
Lawyers
DAKOTA NATIONAL BANK BUILDING
ABERDEEN, SOUTH DAKOTA

BAILEY & VOORHEES
Charles O. Bailey Ray F. Bruce
John H. Voorhees Melvin T. Woods, Jr.
Theodore M. Bailey Roswell Bottum
BAILEY-GLIDDEN BUILDING,
SIOUX FALLS,
INSURANCE PRACTICE.

KIRBY, KIRBY & KIRBY
Established 1886
Joe H. Kirby Thos. H. Kirby
Frank G. McCormick Paul L. Redfield
L. C. O'Hara R. M. Dunn
Sioux Falls
General Counsel Western Surety Co.

TENNESSEE

WINCHESTER & KNAPP
George S. Knapp Leo Bearman
Specializing in General Insurance, Litigation,
Investigations and Adjustments for Memphis and
Vicinity.
Representing: New York Indemnity Co., Continental
Casualty Co., Liberty Mutual Ins. Co., Norwich Un-
ion Ind. Co., Commercial Casualty Co., National Cas.
Co., Lynton T. Block, Massachusetts Bonding Co.,
Southern Surety Co.

HARRY R. BUSH
President

B. C. VITT
Superintendent of Agencies

CLYDE A. HOLT
Secretary

Capital
\$500,000.00



Incorporated
1906

Surplus to Policyholders.....\$1,052,665.27

Is prepared to furnish insurance as follows:

Fire; Lightning; Tornado; Automobile Fire, Theft, Collision, and Prop-
erty Damage; Automobile Dealers Policies; Rents and Rental Values;
Profits and Commissions; Use and Occupancy; Hail and Rain Insurance.

TENNESSEE (Cont.)

WILLIAM HUME
NASHVILLE

WASHINGTON

ROBERTS, SKEEL & HOLMAN
Alaska Building
John W. Roberts E. L. Skeel
N. A. Pearson William Truscott
D. D. Mote Elwood Hutcheson
Glen E. Wilson Eugene F. Hooper
SEATTLE

WEST VIRGINIA

HARRY SCHERR
INSURANCE AND
CORPORATION LAW
(Member Firm
Vinson, Thompson, Meek & Scherr)
Huntington, West Virginia

WISCONSIN

RICHMOND, JACKMAN, WILKIE
and TOEBAAS
ATTORNEYS-AT-LAW
Adjusters sent any place in Wisconsin
111 S. Hamilton St. **MADISON**

STEPHENS, SLETTELAND
& SUTHERLAND
Attorneys and Counselors at Law
Investigators and adjusters sent throughout state.
412-415 First Central Bldg.
MADISON

BLOODGOOD KEMPER & BLOODGOOD
380-384 East Water Street,
MILWAUKEE
Representing U. S. Fidelity & Guaranty
Company, Metropolitan Life Insurance Com-
pany, Globe Indemnity Company

JAMES E. COLEMAN
5011 PLANKINTON BUILDING
MILWAUKEE, WISCONSIN
Insurance Practice 15 Years

Tiedemann, chairman of the Nat'lck, Mass., committee; J. M. Bryans, chairman of the Hingham and Hull, Mass., committee, and H. C. McAllister, chairman of the Farmington Valley, Conn., committee.

To Organize Local Board

Local agents of Nassau county, N. Y., will meet at Mineola Sept. 25 with a view to organizing a local board. Field Secretary C. H. Doscher of the National Association of Insurance Agents will represent that organization at the gathering.

To Have Lehigh Valley Board

At a meeting of Allentown, Bethlehem and Easton, Pa., agents scheduled to take place Oct. 2, details of the formation of the Lehigh Valley Board will be perfected.

To Speak to Pittsburgh Club

W. L. Barnhart, vice-president of the National Surety, and Edwin H. Stuart, advertising specialist, will be the guests of the dinner of the Pittsburgh Insurance Club, Sept. 27. Mr. Barnhart will speak on "Magic Formula for Sales Success."

Eastern Notes

Howard O. Babcock, director of the John P. Hancock agency, Niagara Falls, N. Y., has just been elected a member of the board of trustees of the Niagara County Savings Bank in his home city. Elmer L. Macht will retire as a director of the William A. Simpson & Son

agency of Philadelphia, to enter partnership with James A. Ihll, whose son, J. Barteling Ihll, long associated with the agency, died recently.

Lyman Bennett, probably the oldest local agency operator in western New York, died last week in his home in Ripley, N. Y., at the age of 90. He had been the head of the general insurance business at Ripley which he founded many years ago.

Thomas M. Skivington, head of the Caledonia, N. Y., insurance agency bearing his name, died last week after being ill for many months. He was in his 59th year. Mr. Skivington had been a trustee of his village for several terms and was also its treasurer.

Howard Winship, who succeeded his father, the late Aaron Winship, as head of the general insurance business which the latter founded at Buffalo in 1858, has moved to new offices in the Brisbane building in Buffalo, from the agency's former headquarters in North Division street.

Frank S. O'Donnell, who had been associated with the G. C. Smith local agency at Johnsonburg, Pa., for the past 40 years, and who also was identified with several Johnsonburg financial and business interests, died in Warren, Pa., while waiting for a train to take him to his home. He was 58 years old. The body was taken to Johnsonburg for burial.

New England Notes

The Merchants & Manufacturers Fire of Newark, N. J., under the management of Corroon & Reynolds of New York City, has been licensed in Connecticut.

The Bronx Fire of New York, which started business in May, has been admitted to Massachusetts. R. S. Hoffman & Co. of Boston have been named as agents.

MOTOR INSURANCE NEWS

CLUB INSURANCE IN IDAHO

Mutuals to Issue Joint Policy to Cover Members of State Automobile Club

Through a joint policy issued by the Northwest Casualty and the Northwestern Mutual Fire of Seattle the Idaho Automobile Club is now able to write automobile insurance in Idaho. Five offices have been established in Idaho. The head office is located at Boise, and branches are at Payette, Pocatello, Twin Falls and Idaho Falls. Solicitors are licensed directly through the two main companies who have contracted for exclusive rights of the club over a period of years.

Commissioner Neifert of Idaho would not allow the mutual to file an underwriters' title, but demanded direct policies with the club's name imprinted thereon. Adjustments and claims up to prescribed limits will be settled through the auto club's head office at Boise.

Mutual Changes Name

The charter and by-laws of the old Mutual Union of Seattle have been changed. The company is now called the Western Washington Automobile Mutual. This company will handle automobile insurance for the Automobile Club of Western Washington.

New Auto Finance Company

NASHVILLE, TENN., Sept. 19.—Automobile finance companies are springing

up and spreading out all over the country. The latest to establish an office in Nashville is the Commercial Investment Trust Corporation, which is under the supervision of Fred J. Rippel. This corporation advertises "purchase of installment paper" of any character, apparently including automobile notes. The corporation has, according to its advertisements, more than 80 offices in America.

Recover Stolen Autos

Out of the 152 automobiles stolen in August in Los Angeles county outside the jurisdiction of the city of Los Angeles 136 were recovered, according to a report made by W. H. Bispham, captain of the auto-theft investigation detail of the sheriff's office. The value of the recovered cars is estimated at \$34,950. With one or two exceptions, Capt. Bispham states that the 16 automobiles still unrecovered will be returned to their owners within the next three months.

Duluth Auto Losses Low

DULUTH, MINN., Sept. 19.—Insurance offices in this city are flattering themselves upon having established a low ratio in automobile and theft losses this season. Of 24 automobiles stolen in Duluth in August 30 were reported to have been promptly recovered. The stolen cars were valued at \$14,875 and the four still missing at only \$800. Since the first of the year all but ten cars, valued at \$3,400, reported stolen to the police department, have been recovered. Agents in Duluth reported that the greatest care has been taken in putting through applications for automobile insurance this season, much stress being laid upon the moral hazard.

National Inspection Company

Incorporated 1903

This corporation reports on the underwriting aspects of heavy manufacturing and mercantile properties throughout the following states:

Michigan
Wisconsin
Minnesota
Ohio

Indiana
Illinois
Iowa
Nebraska
Missouri

Kansas
Kentucky
Tennessee
Oklahoma

Managed by

J. G. Hubbell

H. B. Chrissinger

R. L. Thiele

176 West Adams St., Chicago, Ill.

AUTOMOBILE DISCUSSION BRINGS OUT MANY INTERESTING POINTS

A NUMBER of special topics came up for discussion at the annual meeting of the Michigan Association of Insurance Agents at Muskegon last week. The agents in the state are greatly interested in the competition that presents itself in connection with automobile insurance.

Automobile insurance was one of the principal topics of discussion at the business building session Thursday morning. Laurence M. Thomas of Ypsilanti introduced the subject by stating that concentration on selling that one line was the secret of success in this field. That a stock company agent sells a broad contract as contrasted with a restricted contract offered by other carriers and actually takes over the liability of loss from the assured instead of transferring a liability to him was the way Mr. Thomas put it. As to rates, an investigation showed that few agents knew what rates were being quoted by their competitors. Published rates used by competitive carriers closely paralleled stock rates, said Mr. Thomas, but quoted rates were usually from 20 per cent to 50 percent below these, particularly on fleets.

Automobile Dealer Makes Hard Competition

The automobile dealer was held up as the most difficult form of competition. He usually sells the insurance with the car, often completely misrepresenting the coverage to the insured. In Muskegon, agents are encountering a mutual-stock combination plan, stock companies taking the fire, theft and collision and mutuals the liability and property damage.

Leo Weadock of Saginaw said a Detroit company wrote there at about 20 percent below published rates but that other companies offered discounts varying to fit the occasion. He reported also that some collision was written with a \$15 deductible clause. The Lumberman's Mutual stays close to tariff rates on fire insurance on lumber plants, but it insures fleets at 50 percent below published rates and the Michigan Mutual accepts like business at 25 percent less than published rates, according to Mr. Weadock.

Stock Agents Fail to Sell Intensively

Failure to sell intensively in the automobile field was a chief reason for stock agents' loss of business, said J. A. Grow of Detroit. One solicitor for the Detroit Automobile Club closed 200 cases in a single month which Mr. Grow doubted had been reached by any stock company solicitor. Mr. Grow described some methods of operation used by the Detroit Club. Every evening at 5 o'clock, the club obtains a complete list of cars newly licensed that day. From that time until 9 o'clock at night, club salesmen keep busy on the telephone closing business and arranging calls. When the club salesman discovers that purchase has been made, he sends a statement to the assured showing how much money ought have been saved if the buyer had bought of the club and then follows up at expiration. Stress on selling rather than any other factor was credited by Mr. Grow as the cause of the volume of business obtained by the club. Their methods put the stock company agents decidedly second in aggressiveness, he emphasized.

Republic Automobile Puts Up Detroit Fight

The Republic Automobile, said Mr. Grow, was giving the Detroit Automobile Club about all the competition it had in Detroit and for his part he was glad to see some one make a partially winning fight to get the business away from it. Some of the most active companies are setting up insufficient re-

serves according to Mr. Grow and others who spoke. Increasing loss ratios due to constantly higher court verdicts will wreck companies not preparing for them and even some strong companies would be embarrassed if they had to quit business and meet all claims without the support of current and future premiums, the speakers emphasized.

Freese Gives Suggestions on Getting Figures

Charles E. Freese of Detroit said the companies should segregate premium and loss experience under three classes, (1) those on cars individually owned and paid for, (2) those for which payments were handled through finance companies in the large cities and (3) those for which payments were handled through finance companies in the smaller cities, and then charge rates accordingly. He believed the first class was entitled to the lowest rate and the second class would get the highest rate. Instead of that, under the present system, those in the second class get the lowest rate of all.

George Graham of Kalamazoo said the stock companies didn't get enough business in all three classes to warrant using experience on the whole number even for rate making. He doubted that they ever would unless they quoted rates which would make possible insuring of the millions of uninsured cars. Moreover he charged that companies had not put their best talent at work in automobile insurance but had left its fate largely to clerks and minor officials.

Winter Comments on Collision Charge

President Winter expressed himself as believing that some adjustment might well be made in collision rates and if possible some unified plan of writing on a deductible basis should be found.

R. J. Hamilton of Battle Creek urged support of the commissioner's qualification plan as one way to relieve the situation by removing garage owners and automobile dealers from the agency lists.

Show your prospect or your assured a list of mutual and reciprocal failures and then explain that a child five years old, who is hurt today, may sue for damages any time within 15 or 20 years thereafter when the carrier on the risk may be gone and forgotten, said Zelin C. Goodell of Lansing. He finds this a conclusive persuader for risks which are responsible and desirable.

Compulsory Automobile Liability Insurance

Clyde Smith of Lansing believed that the stock agents could get along very well if only they all quoted published rates and did not underbid each other.

G. Leo Weadock who led off the discussion on compulsory automobile insurance said the public was sold on the idea of establishing a system insuring financial redress to those injured by automobiles and that the agents should accept the idea but plan to leave the field open to competition among responsible carriers with freedom of action for them so that they might protect themselves against disastrous loss ratios and undesirable clients.

Executive Secretary George Brown said Judge Clyde Webster of Detroit, who is sponsoring compulsory insurance in Michigan, has a substantial following and undoubtedly his measure would be seriously considered. In co-operation with Detroit authorities he urged that the agents seek to guide legislation so that its first tendency would be to prevent accidents and its second to provide sound insurance.

William H. Pendleton of Kalamazoo said a strong feature of the law should be the placing of adequate power in the hands of the insurance commissioner so

that he might prevent a repetition of Massachusetts' experience with a host of irresponsible carriers organized for get-rich-quick purposes.

President Fred Winter summarized the discussion by stating that the agents seemed to agree on offering no opposition to the idea of compulsory automobile insurance or seeking to guide any legislation enacted into channels which would safeguard the interests of agents, companies and the public.

C. N. Jenkins Dead

Clarence N. Jenkins, 67, former secretary of the Farmers' of Cedar Rapids, and for many years one of the leading insurance executives of Iowa, died suddenly last week in LaGrange, Ind., while enroute to Wilmington, Del., to visit his son, Karl. He was stricken with heart disease. Mr. Jenkins was born in Michigan but grew to manhood in Cedar Rapids and had been a lifelong resident of that city. After graduation from high school he entered the Farmers' offices as a clerk, became chief clerk and was advanced to secretary, retiring five years ago, after more than 40 years with the company.

To Begin Operations

LOS ANGELES, Sept. 19.—I. M. Fisher president of the newly organized Lion Assurance of Los Angeles, announced the licensing of the company last week in California and that it will begin operations immediately with a capital of \$200,000 and surplus of \$300,000, confining its business chiefly to fire underwriting for the present, and some earthquake coverage. The principal organizers were I. M. Fisher, head of the I. M. Fisher general agency, and interests identified with the Eureka-Security Fire & Marine of Cincinnati, which company Mr. Fisher has represented on the Pacific Coast for a number of years, and with which it is reported a reinsurance treaty has been arranged, effective with the launching of the Lion Assurance.

Pockwitz Company Represents Empire

Leo Pockwitz Company, with offices in San Francisco, Los Angeles and New York, has been appointed representative of the Empire Fire, which has just been licensed to operate in California.

New Stock Is Offered

The board of directors of the Republic Fire of Pittsburgh at a special meeting on Tuesday unanimously adopted a resolution providing that stockholders of record of Sept. 28 be given the right to subscribe for one share of stock for each three shares held on that date at \$30 per share. Rights will expire Dec. 20.

J. W. Atkinson Resigns

J. W. Atkinson of New Orleans has resigned as special agent for the North British & Mercantile in south Louisiana.

Netherlands Not in Office

In a recent issue of THE NATIONAL UNDERWRITER it was erroneously stated that the Netherlands is represented in the agency of J. D. Borgerding and the Associated Underwriters at New Albany, Ind. The Netherlands has not been in either of these offices for more than a year.

Court Rules for Assured

Judge Charles S. Bell in common pleas court at Cincinnati has handed down judgment for \$1,036 against the Hartford Fire on a salesman's floater policy. The court held that the policy covers the goods insured until they are deposited in the salesman's room at his hotel. A salesman for the Julian & Kokenge Shoe Company arrived at a hotel in a Texas town and gave the clerk his check for his sample cases and other luggage. The trunk was placed in the basement of the hotel, for delivery to the salesman's room in the morning, as was the custom. In the night the basement of the hotel was

flooded and a trunk of samples was ruined. The company denied liability on the ground that the trunk was in the salesman's possession. In his opinion Judge Bell said, "The trunk was in transportation until it reached the hotel room occupied by the plaintiff's agent."

Marine Insurance Decision

A ferryboat was insured. Contract provided that a watchman should be on board at all times. Fire occurred while boat was moored at wharf, a watchman being employed on the wharf charged with the care of boats and wharf. Held, not a compliance with the contract. In cases of warranty all questions of materiality of the fact warranted are excluded, the sole inquiry being whether it was or be not warranted that the fact is or shall be so and so. Buckwalter v. Aetna, Camden County Cir. Ct., N. J.

Marine Men on Long Trip

Louis F. Burke, manager of the marine department of the Home of New York, and Jay Zoran, secretary of the company, left Wednesday on a 9,000-mile trip to visit marine agencies of the company, going west through Canada to the Pacific coast and returning by way of Panama and the West Indies.

Canadian Losses Compared

According to the "Monetary Times," fire losses in Canada for the week ending Sept. 5 are estimated at \$239,000, as compared with \$372,000 for the corresponding week in 1927. Losses for August are estimated at \$2,356,400, as compared with \$1,490,800 for July, 1928, and \$1,561,100 for August, 1927.

King Succeeds Sheffield

WINNIPEG, Sept. 19.—W. E. Findlay of Montreal, Canadian manager for the Niagara, was in Winnipeg this week and stated that W. King, Calgary inspector, had been appointed to the Winnipeg office to fill the vacancy caused by resignation of T. P. Sheffield.

Fire Prevention Week Proclamation

A proclamation has been issued in the "Canada Gazette" making the week of Oct. 7-13 Fire Prevention Week in Canada. It is mentioned in the proclamation that the annual fire loss in Canada of insurable property exceeds \$30,000,000 and more than 300 persons lose their lives as a result of fires.

Harris in St. Louis

ST. LOUIS, Sept. 19.—J. Charles Harris of San Francisco, most loyal grand gander of the Blue Goose, was the principal speaker at a luncheon given by the St. Louis pond Monday.

He spoke of the national organization and reviewed the accomplishments at the grand nest meeting in Montreal.

South Jersey Field Club

The South Jersey Field Club held a large meeting at Camden Monday. James M. Beatty was elected secretary to fill the vacancy caused by the resignation of Herbert G. Guempel. James E. Bentley of the Public Fire was elected treasurer. The next regular meeting will be held Oct. 15.

Greene Is Acting Manager

BALTIMORE, Sept. 19.—Harold G. Greene has been appointed acting resident manager of the Maryland Casualty at Albany, N. Y., according to an announcement by President F. Highlands Burns. P. J. Burke & Sons, former agents of the company in Albany, have resigned.

Ockerbloom Is Promoted

Wallace A. Ockerbloom has been appointed assistant manager, casualty lines, of the Worcester, Mass., branch office of the Travelers. Mr. Ockerbloom was assigned to Worcester in 1925 as a field assistant, casualty lines. Prior to that time he had been in claim work for the Travelers in Springfield.

Liberty Mutual Expense Ratio

In a recent issue the expense ratio of the Liberty Mutual of Boston was given as 61.1. It should have been 16.1 percent.

The National Underwriter

September 20, 1928

CASUALTY AND SURETY SECTION

Page Forty-one

BAY STATE AIR IS FULL OF DYNAMITE

Compulsory Automobile Situation Is Involved in Political Battle

INSURANCE IN THE JAM

Company Officials Do Not Know Which Course to Take in the Premises

NEW YORK, Sept. 19.—"The Massachusetts automobile situation is filled with TNT from almost every angle. Whatever insurance men may do, the Massachusetts press and politicians are likely to ascribe to them the wrong motives. Political considerations govern Massachusetts this year to an unusual degree, as Massachusetts might be the pivotal state in the presidential election. Insurance men do not wish to be a factor one way or the other in this situation. Commissioner Monk is a fair-minded man and wanted to do the best he could for the public of Massachusetts, acting fairly all around. With the Massachusetts compulsory plan under scrutiny over the rest of the country, everything in that state takes on an undue significance," said a casualty executive this week.

Companies Marking Time

"It is simply a case of where the insurance companies do not know what to do and are marking time. They don't wish to get mixed up in politics. From the personal standpoint, many prominent insurance men are for Al Smith for president. There are enough complications in the automobile insurance business without bringing in political considerations. On the one hand, the agents of Massachusetts are complaining of the low commissions paid on automobile, on the other, Governor Fuller has been quoted as saying that 5 percent is enough commission for agents to handle the insurance business. He himself has become wealthy handling the sale of a high priced automobile in New England and other places at a commission larger than insurance agents are now getting on small sales of automobile insurance, but that does not seem to make any difference with him.

Say Plan Is Going Too Far

"The undue emphasis placed on insurance as the principal means of meeting one of the most difficult problems in modern life, the proper education of the public in the handling of the automobile, is unfortunate. Insurance can be used up to a certain point as a preventive influence, as it is in fire, life, and all other forms of insurance, but to tie a whole program of automobile accident prevention around the insurance principle, insurance men feel, is going too far.

"Commissioner Monk may or may not speak at the White Sulphur Springs

COMPANY COMMITTEE TO STUDY 50-50 FORM

COMPETITION BEING FELT

Officials Feel That Some Method Should Be Devised to Stop the Heavy Inroads

NEW YORK, Sept. 19.—A thorough study of the 50-50 plate glass insurance policy, its merits and shortcomings, and the extent of its present and possible future sale, will be undertaken by a committee of casualty company managers as one result of a general meeting of executives and department heads held in this city. That companies holding to the standard form of plate glass coverage are feeling the competition of offices writing the 50-50 form cannot be gainsaid. While it is not nearly so severe as some are wont to believe, all concede that it has become a force to be reckoned with. Hence the determination is to make an exhaustive study of the general proposition. When the committee shall have completed its labor, its findings and recommendations will be presented at a further general gathering.

Brokerage in Detroit

A second matter dealt with at the meeting in question was that of brokerage in Detroit. The ruling figure in that city is 30 percent. While this was held to be excessive, majority opinion averred that it must be maintained in order to meet the severe non-conference competition in the territory from the considerable number of free-lance institutions. Conference offices that were losing business under the 25 percent brokerage arrangement, declare that by virtue of the increased figure they are not able to maintain their lines against the newcomers but are increasing their incomes. Just why Detroit should be a particularly open city, so far as plate glass business is concerned, is not apparent. That it has been a storm center in the line for a considerable period is a matter of common knowledge in casualty circles.

meeting of casualty men. He was put on the program some months ago and since the Massachusetts trouble arose nothing has been heard from him one way or the other about his appearing. At the insurance commissioners' meeting in Cincinnati, Commissioner Monk gave an unqualified endorsement of the Massachusetts plan, and this has had large weight. Merely because he resigned when the strain of the Massachusetts situation became too great for him and affected his health, is no reason for supposing that he is particularly sympathetic with insurance interests, as is being interpreted in some quarters.

Monk Is Independent

"Mr. Monk is independent, does not have to depend on his job for a living, and when he reached a certain point he decided that too much was enough. The public is going to find that compulsory insurance is not a panacea for all automotive ills, and that there are evils and difficulties within the problem itself that cannot be solved by passing the compulsory insurance law."

MARYLAND APPROVES COMPENSATION PLAN

KENTUCKY IN PARTIAL FAVOR

Mutuals Are Put in Curious Position Unless They Decide to Reduce Their Rates

NEW YORK, Sept. 19.—Maryland has approved, in so far as the stock carriers holding membership in the National Council on Compensation Insurance are concerned, all five features of the revised rating program submitted by the latter organization, thereby leaving the non-stock carriers to file schedules of their own. The same procedure has been followed by Kentucky, only as relating to use of the expense constant. The question of the revised minimum formula, special minimum premium formula, special minimum premiums, revised executive officers rule, and the revised experience rating plan are still under review by the department of that state.

Position of the Mutuals

This procedure, in so far as Maryland is concerned, means that unless the non-stock carriers follow the lead of their stock competitors the latter will be able to offer indemnity to large assureds at 4 points below the figures of the mutuals. The latter bitterly opposed the proposition of the stock men that rates on large risks be reduced, though the loss experience thereunder justified such procedure. The mutuals feel that any reduction upon the class of risks that contribute the large percentage of their income would compel a reduction in their dividend schedules, and hence lose to them a talking point on which they lay the utmost stress.

Mutuals Fought Strongly

While disclaiming against any reduction of rates on the larger risks, the non-stock carriers fought bitterly in opposition to the adoption of the proposed loss constant by the stock offices, appreciating again that if their competitors were allowed adequate rates upon a class of business that had shown a heavy loss through a series of years and which the mutuals carried but a fractional part, the stock offices would be still further strengthened and the progress of the mutuals become increasingly difficult. It will be interesting to learn details of the schedules the non-stock institutions will offer in Maryland and in Kentucky.

Williams Ohio Manager

Howard C. Williams has been appointed Ohio manager of the Massachusetts Bonding. For the last 17 years he has been connected with the American Surety, 10 years as assistant manager at Cleveland. Mr. Williams is a former newspaper man, having been connected with the Cleveland "Plain Dealer." He is president of the Ward Shaw Printing Co. in that city. He was national president of the Phi Kappa Psi fraternity for two years ending in June. He was graduated from the University of Illinois in 1908. Mr. Williams has taken charge of the Massachusetts Bonding in its office in the Union Mortgage building at Cleveland.

LOCAL AGENTS HAVE BIG FIELD TO WORK

E. A. St. John, President National Surety, Addresses National Association Meeting

URGES KNOWLEDGE, LABOR

Says Alert Producers Can Add Greatly to Their Incomes by Cultivating Some Neglected Lines

E. A. St. John, president of the National Surety, addressed the agents attending the annual convention of the National Association of Insurance Agents on fidelity and surety business and promised them "\$25,000,000 Reward" if they will in future give more attention to this class of business. In part he said:

"We are all faced with the necessity for increased earnings. Insurance companies are no different from insurance agents in this. There is not much opportunity for increasing the total volume of the fire business of an average agency. There is a definite limit on the amount of fire and tornado business available in local agency territory for the insurable property is generally fully insured. The same thing is true with workmen's compensation, which from the company viewpoint is not desirable anyway. It is very largely purchased only when required by law and the total amount of available business is more or less a fixed quantity, so that the agency organization of America as a whole has very little opportunity to add to its total income by advocating additional attention to compensation lines.

"A different situation, however, exists in the fidelity and surety business of America. In spite of the fact that you wrote a total close to \$100,000,000 in surety and fidelity premiums last year, there is a most notorious condition of under-insurance existent in every part of the country.

Knowledge Essential

"We talk about the development of our business in general terms, but without realizing what specific measures are necessary to bring it about. It is unnecessary for me to tell you that the first essential in business development is to know the business. That is fundamental and need not be discussed here.

"Every agent has an unlimited field for the development of surety and fidelity business among his own customers. From 1915 to 1925, inclusive, the total volume of fidelity and surety business done by all companies multiplied nearly five times. During the past three or four years, for one cause or another, but without any real good reason, the total volume has not shown this continuing increase.

"It seems to me to be the proper time for the agents of this country to consider definite and specific ways and

(CONTINUED ON PAGE 52)

C. W. HOBBS ADDRESSES CANADIAN OFFICIALS

IS OPPOSED TO STATE FUND

Declares That Private Initiative and Resource Is Stifled by Government Insurance Plan

Clarence W. Hobbs, representing the National Convention of Insurance Commissioners on the National Council of Compensation Insurance, spoke before the Association of Superintendents of Insurance of the Provinces of Canada this week on compensation insurance. He asked whether an employer should be permitted to carry his own risk. He said that if the rating system operates persistently to an assured's disadvantage and the system cannot be changed there is a certain lack of equity in compelling him to insure. Furthermore, it is by no means certain that it is always for the best interests of either employee or employer to compel them to deal with one another through a third party. He said there is good reason why the state should not bar, absolutely, direct dealings between employer and employee. There should be certain restrictions laid down as to self insurers. He said that in more than one instance, in which free granting of permits has led to widespread suffering. The financial solvency of a self insurer should be established.

Partial Self Insurance

There is a form of partial self insurance where the employer protects himself from large and unusual loss by insurance on the excess loss or catastrophe hazard. Whether partial insurance should be permitted depends on the intent of the law. Speaking of the difficulty of some risks in getting insurance, Commissioner Hobbs said that if the state shows a reasonable degree of cooperation and does not undertake to make a few bear the burden, which should be assumed by all, and if it does not permit its rating policies to stand in the way, the number of risks unable to get insurance should be reduced to a minimum, including such as could not be insured, say at an absolutely prohibitive cost. For these, self insurance is the only way.

Comment on State Insurance

Mr. Hobbs dwelt at considerable length as to the feasibility and desirability of state insurance. The tendency of late years, he said, has been toward an enormous extension of state activity. Several dangers, he believes, lurk in this program. First and foremost is the fact that the growth of the state and its increasing tendency to compel and to restrict carry a distinct menace to the individual, who daily becomes more helpless before the state and more circumscribed in his activities. The aggrandizement of the state organization and the exaggerated use of it has made of its power to compel and this quells initiative and suppresses the individual.

State Should Only Regulate

The state, Mr. Hobbs said, should regulate but management and initiative should be left to others. The state should make the end of its regulation the securing of a desirable result. It should not undertake, whether in part or entirely, to take on the management of the enterprise. Its power to compel should be exercised with moderation, never in excess of generally accepted standards, whether of practices or ethics and never save in case of an absolute necessity should it undertake to compel its citizens to make purely economic transactions with itself. Its functions to police and regulate is in essence just and salutary and may readily be made so in practice.

If it goes further, if it loads its citi-

AMERICAN LIABILITY BECOMES MILLIONAIRE

ITS FUNDS HAVE INCREASED

Company Is Operated Under the Executive Management of the Western & Southern Life

The American Liability & Surety of Cincinnati has increased its capital from \$300,000 to \$500,000 and the surplus from \$300,000 to \$500,000. The American Liability & Surety, which is controlled by the same financial interests that represent the Western & Southern Life, now becomes a millionaire corporation. Agencies and district offices are already located in Ohio, Indiana, West Virginia, Pennsylvania and Kentucky.

As is well known among underwriters, the name, Western & Southern Life, is synonymous of high grade insurance and of prompt payment of claims. The executive management is identical with the Western & Southern Life.

This increase is to enable the company to enter a number of states and also to give it a larger writing capacity on surety bonds. Vice-President Charles F. Williams, who is giving his personal attention to the development of the casualty company, has just returned from Europe and states that it will probably be the first of the year before a man to head the casualty company will be selected. The company proposes to enter the states in which the Western & Southern is doing business immediately, and possibly others later.

MacLACHLAN JOINS McGEE

Former Assistant Resident Manager of Ocean in Chicago Takes Executive Special Agent Post

H. F. MacLachlan, formerly assistant manager in the Chicago office of the Ocean, has joined the Chicago office (western department) of William H. McGee & Co., New York marine office, as executive special agent for the Transportation Indemnity, which the McGee office manages. The Transportation has been licensed in Ohio, Indiana, Illinois and Wisconsin. The company will soon enter other central western states.

Mr. MacLachlan was born in Scotland but has been in the insurance business in the United States for years. He received his initial training under W. W. Greene, now controller of the General Reinsurance. His first connection was with the Employers Mutual of New York. Next he served as liability underwriter in the home office of the Globe Indemnity. He then joined the Ocean as manager of the New Jersey office, remaining in that post four years, or until his transfer to the Chicago office of the Ocean two and a half years ago.

For the present the Transportation Indemnity will write the automobile, burglary, plate glass, general liability and aviation lines. Later it will enlarge its writings to include other lines. Together with the Transportation Fire, organized by the same interests, the McGee company will write complete aviation cover.

zens with onerous and diversified prohibitions and compulsions, if it proceeds to absorb into itself industry after industry, constituting itself the sole employer and all others it employs it will find in the end that in the process disappear all of the grander personal qualities: Personal energy, personal initiative, free and spontaneous cooperation toward a common end and that with these vanish art and skill and incentive toward improvement.

HOLD ANNUAL MEETING OF INSURANCE COUNSEL

JONES REELECTED PRESIDENT

Notable Addresses Given at Annual Meeting of Association at Old Point Comfort

What may be termed the second annual convention of the International Association of Insurance Counsel was held at Old Point Comfort, Va., last week. In September, 1920, the General Councils' Association of Accident & Health Companies was organized at Atlantic City. Its membership was composed of general councils of accident and health companies. In September, 1927, the name was changed to the International Association of Insurance Counsel and the clause relating to eligibility was broadened to include any attorney or law firm, a part of whose practice is representing insurance companies doing casualty or surety business and companies carrying on any form of accident or health business.

Judicial Ambiguity Discussed

Edwin A. Jones of the Fidelity & Casualty, president of the association, read a paper on "Judge Ambiguity" which provoked much discussion. The courts have made ambiguity the great word in insurance law and it has thereby become a nightmare of the insurance companies and the bane of the insurance lawyer. Ambiguity is defined as capability of being understood in two or more ways. The judges plead for uniformity of laws, the lawyers plead for uniformity of judicial decisions, and the litigants pray for relief from both. In the beginning, companies prepared their own contracts, chose the words and arranged the phrases and had full and complete freedom to word the contracts as they pleased. The buyer could only get the contract as prepared by the company. As a natural result there was strict construction of doubtful provisions against the drafter of the contract. The reason for the existence of the rule against the insurer was its freedom to choose the wording of the contract. Today insurance contracts are prescribed in whole or in part by legislative enactment or by a delegated legislative agency, the insurance commissioner. Where so prescribed, he said, the contract should as to those parts dictated and controlled by such authority be construed by the rule of construction of the ordinary contract. They should be interpreted by the common sense meaning which the parties intended and not in favor of either party.

Decisions on Accidental Means

William Marshall Bullitt, Louisville, Ky., former United States Solicitor-General, took as his subject "Accidental Means." After distinguishing between death by accident and death through accidental means, Mr. Bullitt discussed the recent California case of Moore vs. Fidelity & Casualty. In this case, the insured, a professional nurse, was the holder of a policy covering death through accidental means. The final holding of the court was that the nurse while attending the patient contracted a disease through the inhaling of a germ from the patient. The court inferred that the insured inhaled the germ from the air in the room, although there was no evidence that the patient coughed into the nurse's face. The danger of this decision is the holding that there was liability under the accident policy for death by infection of a communicable disease.

"Warranties in Fidelity Insurance" was the title of a paper read by David Andrew Murphy of Kansas City, Mo. The question as to when a statement or promise is a warranty, or when it is a representation, is one which has caused

WASTE IN HANDLING NOT TAKEN POLICIES

DESIRES TO CALL A HALT

Casualty Company Appeals to Its Agents to Assist in Cutting Down Expense

NEW YORK, Sept. 19.—One of the prominent casualty companies of this city has addressed its local representatives asking their cooperation in reducing the expense caused by "not taken" policies. An analysis of its records disclosed to the company in question that it cost not less than \$5 to issue a policy, make the necessary entry upon its records, furnish required insurance department and bureau filings, and "then repeat all of this if the policy is subsequently returned as not wanted." In addition, there is a distinct loss to the local agent in handling a policy declined by his prospect, which must be considered. The useless expense incurred by casualty companies by virtue of "not taken" policies, which expense must eventually be borne by the insuring public, impelled the New York department some months ago to adopt a plan looking to limiting the evil, and it is highly probable that like action will be taken by the departments of other states unless the fraternity within itself can work out a method that will attain the desired end.

considerable conflict of opinion in the courts. All the courts, however, agree that the same rules of law applicable to insurance generally are applicable to fidelity bonds. The warranty enters into and forms a part of the contract itself, while the representation is no part of the contract, but is a statement by the applicant to the insurer of information which the company may desire in order to determine whether the risk will be written. Generally the question as to whether or not a representation is material is for the jury. Warranties or representations of existing facts if true at the time they were made have no effect upon the liability of the surety under the renewal or continuation certificate.

Denials of Suicide Defense

Solon T. Gilmore, general counsel of the Business Men's Assurance, had as his subject "Statutory Denial of the Defense of Suicide." Mr. Gilmore stated that the paper was of limited scope and would only be of interest to those companies which do business in Missouri, Colorado and Utah, and their attorneys. These three states have statutes denying insurance companies the defense that the insured committed suicide. In all three states the courts have held that these statutes deny the right of defense of suicide in an action to recover for loss of life brought on an accident policy. In Missouri and Colorado, however, the courts hold that a recovery under an accident policy is warranted only where death is due to suicide if the insured was insane. If the insurance clause contains an exception in the case of suicide, the burden is on the plaintiff to disprove suicide. Such decisions amount to the holding that the insurance clause and not the statute confers all the rights received by the policyholders. The speaker recommended that all policies should contain in the insuring clause the provision excluding coverage in case of suicide.

The following officers were elected: President, Edwin A. Jones, New York; vice-president, D. E. C. Moore, Los Angeles; secretary-treasurer, John A. Milner, Columbus, O.; executive committee, Wm. M. Bullitt, Louisville, chairman; Martin Cornelius, Chicago; William C. Michaels, Kansas City; Eugene D. Perry, Des Moines; George W. Yancey, Birmingham.

CASUALTY COMMITTEE ON VISIT TO BOSTON

Makes Survey of the Massachusetts Compulsory Automobile Rate Issue

WATER BADLY MUDDIED

Political Angle Further Complicates an Already Delicate Situation as to the Rates

BOSTON, Sept. 19.—The committee of seven casualty company executives, headed by R. Howard Bland, president of the United States Fidelity & Guaranty, appointed by the casualty companies to come to Boston and investigate the conditions attendant upon the failure of former Commissioner Monk to promulgate new compulsory automobile liability insurance rates in Massachusetts, spent several days here the past week.

The matter was taken up with the executives of the Employers Liability and the Massachusetts Bonding and other local interests, as well as the Automobile Rating Bureau. The committee took back to New York the various opinions and suggestions gathered from its visit here.

Await State Primaries

Practically the only definite decision reached was that nothing would be done until after the state primaries this week, in view of the fact that one of the principal contestants for the nomination for governor was Frank A. Goodwin, former registrar of motor vehicles, who is an out and out advocate of a state fund for carrying compulsory automobile liability.

The companies have three courses open to them: To contest the law and adequacy of the rates in court; to withdraw from the state, or to remain in the state and take their losses in the hope that eventually better rates will be secured. The outlook is not encouraging from any angle, but it is felt that any precipitate action by the companies will certainly lead to the establishment of a state fund, and that is an eventuality which is least desired.

SITUATION CONTINUES INVOLVED

NEW-YORK, Sept. 19.—The Massachusetts automobile liability insurance rate situation continues involved, no recent action having been taken either by the ruling powers of the state or by the casualty companies. The latter are still undecided as to their future course. The committee of seven company officials to whom was referred a study of the intricate problem, has not yet made a definite recommendation. The conviction is slowly gaining that the carriers will have either to accept the existing rates for another 12 months, or quit writing the business. The chances apparently incline to the former proposition. It is understood that the several prominent Massachusetts mutuals, despite their serious complaint over the rates in force, will continue writing, though it will mean for them, as well as for the stock companies, a continued loss. If a clinching argument were needed to show the folly of a state entering the domain of private enterprise, it is afforded by the developments in Massachusetts.

Political Angle Is Seen

Republican leaders seem to fear that Massachusetts would swing to the Democratic party at the forthcoming national election, if the rate revision were allowed, although the experience of the

PANGBORN TAKES A SLANT ON BRANCH OFFICE SYSTEM

George W. Pangborn of Indianapolis, one of the old time general agents, has something to say on branch offices and general agencies. Here is his comment:

"It is interesting for an old timer general agent of nearly 40 years experience to observe the inclination of insurance journals to accept the conclusion of executives of branch office companies, to the effect that the general agent has a bad attack of overheaditis and is fast becoming an extinct species.

"For some cause unknown to the subscriber, the real reason for the infection above mentioned is ignored, viz: that certain of the branch office companies started several years ago to gobble up the casualty business by ignoring acquisition cost rules in the way of paying regional and general agency commissions to local agents that were not entitled to them and in some cases plus 2½% for handling claims.

Profit Made on Investments

"Any fool knows, who is at all conversant with the insurance business, that the loss ratio of an insurance company, honestly computed, is the first immovable stone in the liability structure of a company. The safety margin between it and 100% represented in the items under the head of administration, claim and other legitimate expense—and profit—if any, constitute the balance. It does not require an actuary to determine the general results. A glance over the statistical record of the majority of stock casualty companies for 1927 demonstrates that if it was not for the unusual profit accruing on investments, 1927 would have been a bad year for the

major portion of the companies, on a purely underwriting basis.

Two Ways to "Buy" Business

"There are two ways of 'buying' insurance business, one by cutting rates and the other by paying excessive commissions. Executives who follow either method remind me of the old story of the ostrich which imagined that when he hid his head in the sand no one could see him. It would be apropos to quote Abe Lincoln's familiar saying, 'You can fool some of the people part of the time but you can't fool all the people all of the time.'

Calls Them Insurance Hogs

"There would not be any trouble about the maintenance of the general agency system if a few of the branch office insurance hogs could be relegated to some place where the footing is too hot to permit lingering. It is said that some insurance journals are averse to publishing anything that might offend the aesthetic taste of certain hard-boiled executives. If so, they disobey a fundamental precept, i. e. 'The truth should be spoken at all times' and I might add—'Let the chips fall where they may.'

"There would be a reasonable division of commissions accruing on casualty business to local and general agents, and a good chance for the stock companies to make a fair administration profit if the acquisition cost rules were honestly observed. Incidentally I might add that the question of burdensome overhead is seriously disturbing some of the executives of casualty companies operating on a branch office basis."

FRANKLIN SURETY OFFERS PUBLIC CAPITAL STOCK

The Franklin Surety Company of New York has announced a public offering of 55,000 shares of its capital stock at \$31 per share. The company was chartered March of this year with cash paid in capital and surplus of \$425,000 to do fidelity and surety business.

With the completion of the present financing, the company will have an authorized capital of \$700,000 and surplus of \$1,430,000. The company has amended its charter, increasing its writing powers to include accident, health, liability, compensation, burglary, plate glass, property damage and collision. For the time being it will confine itself to fidelity and surety.

The stock offering is made directly by the company for its own account without any deduction for commission. No underwriting, promotion or legal fees were paid or incurred directly or indirectly in connection with the incorporation or the capital increase. The company plans to include among shareholders a representation of brokers, attorneys, builders, bankers and others who influence or place fidelity and surety business. The company is doing business in its permanent home office, 123 William Street, New York.

Sue Forged Check Endorsers

The National Surety is trying to collect, through district court judgments at Waterloo, Ia., a total of \$6,646 from stores endorsing checks forged by Robert E. Hardy, a former Rath Packing Company employee, who is now serving a ten-year sentence. The firms made defendants are the James Black Dry Goods Company, \$4,379; Frank Bros., \$108; Pioneer National Bank, \$324; Morgan & Sullivan, \$1,833.

The plaintiff alleges that since the defendants endorsed the forged checks they are liable for the losses.

ACCIDENT AND HEALTH SITUATION IS REVIEWED

Aetna Life Through With "Non-Can," Life Indemnity, Secretary Bowen Tells Agents

RATING UP AUTO USERS

Effect of New Classifications Explained—Increase in Rates at Higher Ages Announced

E. C. Bowen, secretary of the accident and liability department of the Aetna Life, in his talk to the general agents of the life department at Quebec this week, in speaking of the developments in accident and health underwriting, said that the application is the most important document and must be prepared in a manner which will give the home office underwriter a mental picture of the risk. The application should be completed in all its detail and thoroughly understood by the applicant, so that if a claim does come no question can be raised as to the insurability of the risk.

Life Indemnity and Noncancellable

Mr. Bowen said that the losses under the life indemnity policy were so heavy that a modified clause was adopted. The question, he said, has been raised as to whether or not under the present life indemnity clause the company could cease paying indemnity in event it should be shown that the claimants could sell pencils or shoe-strings on a street corner. He said that this would not constitute a gainful occupation.

The Aetna Life experience under non-cancellable policies issued prior to Sept. 1, 1921, he said, has been most disastrous because of inadequate premiums. The company became convinced after five years trial that it would be impossible to write a sufficient volume of business under the later form to give a proper spread for experience purposes. Therefore these were discontinued in 1926. He said the company has no intention of again engaging in the non-cancellable business.

Automobile Accident Situation

Mr. Bowen said that the Aetna Life has under consideration the advisability of issuing a new form of policy which will provide for the payment of double indemnity for so-called private automobile accidents. No decision has yet been reached. For some time the home office has had under consideration the adoption of plans of accident and health insurance which will provide for a greater return for the policy holder for the premium dollar he pays. He said that possibly the best way to accomplish this would be through a readjustment of acquisition cost. There are many practical difficulties, he declared, which will have to be overcome.

New Classification Adopted

Mr. Bowen said that the use of the automobile has had a material effect on the loss ratio, as evidenced by the fact that in 1919, 19 percent of the total number of accident claims were automobile accidents, while in 1926 the percentage had gone to 22 percent in number and 33.8 percent in amount. The company found it impracticable to charge an increased rate in every case where the policyholder uses an automobile for pleasure as well as business purposes. Under the new classification manual, practically all occupations which in-

carriers submitted to former Commissioner Monk proved it was absolutely required in order to carry out the letter and spirit of the controlling statute. That consideration apparently weighed far more with the powers that be than did the equities involved.

It is understood that had the new rates sponsored by Mr. Monk gone into effect 42 percent of the automobile owners in the state would either have profited through a modest reduction, or have been unaffected by any advance. These insured as well as the liability carriers are entitled to some consideration, and yet their position has been calmly ignored by the politicians.

No Increase in Competition

A further result of the upheaval is the removal of all prospect of an increase in commissions to local agents. These latter had been asking 20 percent in place of the 17.2 percent they were receiving. Governor Fuller is reported as having advocated 5 percent, holding this to be sufficient compensation on a class of insurance the carrying of which was obligatory under the law.

Daily papers in all sections of the country have been commenting editorially upon the muddle in which Massachusetts has placed itself by virtue of its compulsory liability statute. They are cautioning their legislators to suspend any action along similar lines at least until the situation in the Bay state clarifies and a sane and businesslike method of dealing with the important problem be evolved.

Stage Special Campaign

MILWAUKEE, Sept. 19.—A special campaign to last for two weeks is being staged by the casualty division of the Travelers at Milwaukee, in honor of J. H. Coburn, secretary of the Travelers Indemnity, who is in Wisconsin for a short tour of the state, in connection with the national campaign of the company. It is the first time that Mr. Coburn has been in Wisconsin in 10 years and the Milwaukee branch feels especially honored by his visit and is out to produce a record amount of business while he is in the state.

volve the use of the automobile have been put in the newly created class B, with the basic rate increased from \$5 to \$6. The most important schedule from the standpoint of premium volume involved in this change is that of commercial traveler. The occupation of real estate agent is classed C, calling for a \$7 rate. The company does not intend to apply increased rates to renewals in these general classes at present.

Increase at Higher Ages

It has been the rule of the company for many years to charge what amounted practically to an increase of 20 percent on renewals issued beginning at age 65. Its experience on this class of business showed a death loss ratio of 100 percent in excess of the expected. This experience demanded a rate adjustment at the older ages. When the new manual becomes effective, the additional premiums per \$1,000 to be charged risks in the older ages will be as follows: Class A, \$1.40 beginning at age 60; Class B, \$1.90 at age 60; Class C, \$2.40 at age 60; Class D, \$2.50 at age 55; Class E, \$3.00 at age 55 and higher.

FIELD CLUB TO COOPERATE

Illinois Casualty Body Pledges Its Assistance in Making Insurance Day Success

Following an address by Frank M. Chandler, Chicago, assistant manager of the Employers' Liability and chairman of the Illinois Insurance Day Committee, the Casualty Field Club of Illinois voted to cooperate fully to make Insurance Day a success when it is held next spring. Mr. Chandler explained to the club that the insurance conclave was postponed from Nov. 20 because the committee of organization underestimated the amount of work involved and also because the event would fall at a time when people would be more con-

Semi-Annual Statements-Casualty

(AS REPORTED TO THE GOVERNOR OF GEORGIA)

	Assets June 30, 1928	Net Surplus June 30, 1928	Income Jan. 1 to June 30, 1928	Disb'ments Jan. 1 to June 30, 1928
Home Accident	2,838,292	158,681	1,229,864	1,267,361
American Credit Indemnity....	4,088,899	\$ 557,857	\$ 1,396,323	\$ 1,683,710
Commercial Casualty	15,357,572	2,500,000	7,665,066	6,677,245
Constitution Indemnity	4,060,106	1,002,136	1,766,952	1,108,429
Georgia Casualty	2,927,790	503,224	1,215,321	1,514,606
Hartford Live Stock	1,573,906	594,593	351,676	366,487
Indemnity Ins. Co. of North America	19,285,079	4,063,723	8,885,514	7,213,380
*Interstate Life & Accident....	2,056,314	227,100	1,057,963	936,672
Maryland Casualty	46,570,701	6,012,209	17,472,300	14,488,469
Massachusetts Bonding	18,033,895	5,177,483	7,404,213	5,503,731
Metropolitan Casualty	15,039,864	2,324,990	5,088,125	5,287,068
National Union Indemnity....	2,993,537	280,630	1,215,559	709,574
New Amsterdam Casualty	26,482,883	7,000,000	9,537,241	7,340,071
New York Casualty	6,687,775	2,746,990	2,678,133	1,202,194
New York Indemnity	8,669,446	342,524	4,449,224	3,864,701
Norwich Union Indemnity....	4,498,630	406,101	1,830,225	1,624,892
Royal Indemnity	25,456,102	4,500,000	9,202,447	8,161,715
Sun Indemnity	3,629,087	300,636	1,566,817	989,566
Yorkshire Indemnity	971,160	400,153	251,392	116,323

*Includes Life.

cerned with the outcome of the presidential election than with other matters. Mr. Chandler fully explained the Insurance Day idea, saying that so far as the public is concerned, insurance men's problems are identical, no matter whether in the fire, casualty, marine or life field, and irrespective of company affiliations.

Organizations to Cooperate

The club will appoint a committee of six men to cooperate with other committees on Insurance Day. It is the present plan of the committee of organization to have six committees representing as many organizations working on the plan, one man on each of the committees representing one of the co-operating bodies.

President J. C. Bradley of the field club presided at the meeting. He introduced Robert Laley, formerly connected with the National Bureau of Casualty & Surety Underwriters in Chicago and now Bureau representative on the Pa-

cific coast. Mr. Laley expressed his surprise at the size and vigor of the club and said he would recommend organization of a similar club in his western territory.

Sales Congress Praised

Mr. Chandler praised the club for the success of the casualty sales congress it conducted last year, calling it "one of the best insurance meetings ever held." The members of the Casualty Field Club already are thinking over plans for this year's sales congress, which may be a two-day affair.

As one of this year's activities the club will stress the practical side of selling and at various meetings club members will give short sales talks both for the education of those who attend the meeting and to teach men to speak clearly and fluently before an audience.

New York City Accidents

NEW YORK, Sept. 19.—Of the 4638 fatal accidents in this city last

year, automobiles were responsible for 1,135, according to the report of the New York Safety Congress. There were 1,020 persons killed in falls; 475 died through drowning; 340 as the result of burns; street cars accounted for 136; railways for 51, while 1,470 died from various other causes. Of the total number 942 were children between the ages of 5 and 14 years. The first six months of 1928, the report continued, there were 26,083 motor accidents, in which 30,204 persons were injured and 453 killed. In the same period last year 22,365 accidents occurred, injuring 25,727 persons and killing 443.

Would Lessen Requirements

LINCOLN, NEB., Sept. 19.—The legislative committee of the Nebraska Farmers Union, which has a membership of close to 20,000 farmers, has voted to ask the next legislature to amend the law relating to mutual liability insurance companies to provide that \$25,000 instead of \$125,000 surplus is sufficient, claiming that this is in accordance with the requirements of other companies writing these lines.

Kansas Changes Claim Adjusters

Richard Allen, who has been claim adjuster for the Kansas insurance department for three years, has resigned to become assistant to his father, George R. Allen, general attorney for the Security Benefit Association of Topeka and president of the Fraternal Aid Union of Lawrence. Joe Nickel of Topeka has been appointed claim adjuster for the insurance department for the remainder of the year.

Bennett With Massachusetts Bonding

LOS ANGELES, Sept. 19.—Charles E. Bennett has been appointed general superintendent of the southern California department of the Massachusetts Bonding, of which H. P. Ringgold is manager. Mr. Bennett was formerly superintendent of the surety department of the Metropolitan Casualty in Los Angeles and is well known in California insurance circles.

PENNSYLVANIA SURETY CORPORATION

No organization can grow beyond the enthusiasm and loyalty of its agency force. Intensive co-operation with its representatives is a fundamental of policy with us.

Officers

Joseph W. Ward
President
J. Ray Donahue
Vice-President
Ray E. Latschaw
Vice-President
Frank P. Martin
Vice-President
E. C. Smith, Jr.
Vice-President
John F. Collins
Treasurer

CAPITAL \$500,000
SURPLUS \$1,500,000

BANKERS INDEMNITY INSURANCE COMPANY



NEWARK, NEW JERSEY

The Bankers Indemnity Insurance Company was organized in the spring of 1926 with a capital of \$500,000.00 and with a surplus of \$1,000,000.00. In November, 1927, there was paid in an additional \$1,250,000.00, of which \$500,000.00 was applied to capital and \$750,000.00 to surplus. The company is now operating in the States of Rhode Island, Connecticut, New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia, West Virginia, Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, North Dakota, South Dakota, California, Georgia and Alabama.

We are now preparing to enter the States of Colorado, Maine, New Hampshire and Vermont.

SAFER PROTECTION

The company made a departure from established custom by making the minimum standard limits, \$7,500/15,000 for bodily injury and \$1,500 property damage liability without any increase in premium over what is ordinarily charged for \$5,000/10,000, and \$1,000 limits respectively. This removes the policyholder from the *danger-zone* to the *safety zone*. These limits apply to all classes of public liability except public passenger carrying vehicles.

We have automatic reinsurance facilities whereby we can furnish protection up to \$250,000.00 first limit and \$500,000.00 second limit and \$100,000.00 for property damage liability.

The company is writing:

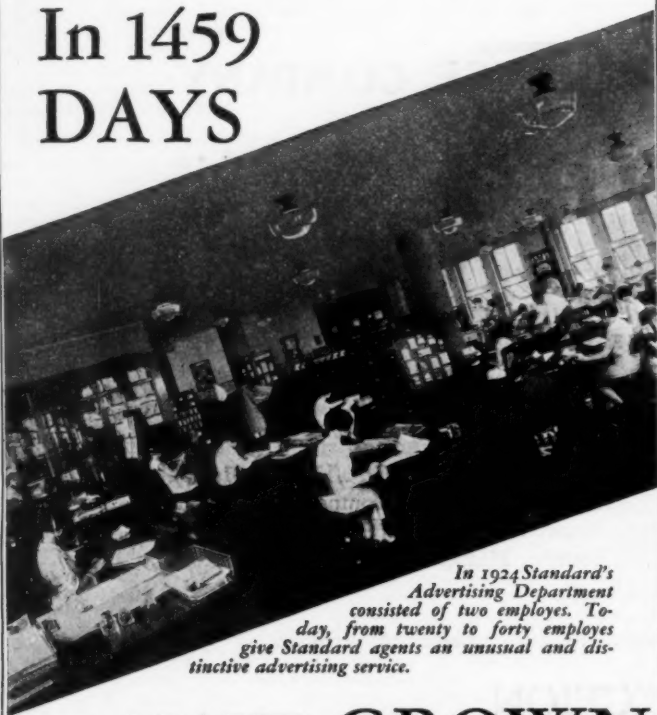
Automobile Liability—Bodily Injuries
Automobile Property Damage Liability
Automobile Collision
Automobile Plate Glass Breakage
Automobile Personal Accident
Teams Liability
Workmen's Compensation
Owners', Landlords' and Tenants' Liability
Golfers and Sports Liability
Manufacturers' and Contractors' Public Liability
Plate Glass Insurance
Personal Accident and Health
Burglary

This is the second calendar year of our operations and the indications are that our premium writings will be approximately \$2,500,000.00.

FREDERICK E. WILKENS,
Vice-President and General Manager.

YEARS STANDARD'S ADVERTISING DEPARTMENT HAS GROWN

In 1459 DAYS



In 1924 Standard's Advertising Department consisted of two employees. Today, from twenty to forty employees give Standard agents an unusual and distinctive advertising service.

WE HAVE GROWN

to be one of the largest and best equipped Advertising Departments in the Casualty Insurance Business.

In this quick passage of time we have developed complete facilities for the solving of the individual advertising problems of every Standard agent. Our staff includes creative men to work up ideas—copy men to put them in writing—and a production department to assume the entire detail of addressing, inserting, sealing, and mailing of individual direct mail campaigns.

Agents of the Standard Accident Insurance Co. everywhere are constant users of this **FREE AND UNUSUAL** service. They will tell you of its extreme importance as a time-saver and business-getter.

When the redman reigned, smoke signals spiralling skyward sent messages where the voice could not carry. This symbol typifying our duty—spreading the Standard agent's message to thousands of prospects—has been adopted by the Advertising Department of the Standard Accident Insurance Co. of Detroit.



This is number two of a series of advertisements demonstrating the facilities of Standard's great Advertising Department. An illustrated manual showing how Standard helps its agents through advertising will be sent on request.

QUALIFYING POWERS OF SURETY COMPANIES AS GIVEN BY U. S. GOVERNMENT

THE United States Treasury Department has issued its semi-annual statement showing companies holding certificates of authority as acceptable sureties on federal bonds and the limits for which they may be accepted on any one bond. This list has been revised as of Aug. 31.

Names of Companies, Locations of Home Offices, and States in Which Incorporated	Qualifying Powers		
	On Basis of Financial Statement as of June 30, 1928	Capital Stock	Limit on any One Bond 10 Percent of Capital and Surplus
California			
International Reinsur., Los Angeles...	\$ 1,000,000.00	\$ 1,500,000.00	\$ 250,000.00
National Auto. Insur. Co., Los Angeles...	250,000.00	247,739.68	49,773.97
Occidental Indemnity Co., San Francisco	500,000.00	533,352.74	103,335.27
Pacific Indemnity Co., Los Angeles...	1,500,000.00	1,498,425.63	299,842.56
Connecticut			
Aetna Casualty & Surety, Hartford...	3,000,000.00	9,756,163.06	1,275,616.31
Century Indemnity, Hartford...	1,000,000.00	790,706.35	179,070.64
Hartford Accident & Indemnity, Hartford	1,000,000.00	7,385,175.04	838,517.50
Indiana			
Continental Casualty, Chicago...	3,000,000.00	3,500,000.00	650,000.00
Inland Bonding, South Bend...	250,000.00	109,938.53	35,993.85
Iowa			
Federal Surety, Davenport...	725,000.00	188,916.88	91,391.69
Southern Surety, Des Moines...	1,200,000.00	632,091.71	183,209.17
Louisiana			
Union Indemnity, New Orleans...	2,500,000.00	1,485,392.59	398,539.26
Maryland			
American Bonding of Baltimore...	1,000,000.00	587,804.84	158,780.48
Fidelity & Deposit Co., Baltimore...	5,000,000.00	6,969,668.26	1,196,966.83
Maryland Casualty Co., Baltimore...	5,000,000.00	6,012,209.14	1,101,220.91
United States Fidelity & Guar., Baltimore	7,500,000.00	13,133,760.23	2,063,376.02
Massachusetts			
American Employers Bond and Ins. Co., Boston	1,000,000.00	519,146.14	151,914.61
Massachusetts Bond and Ins. Co., Boston	4,000,000.00	5,177,482.61	917,748.26
Michigan			
Central West Casualty, Detroit...	1,000,000.00	514,000.94	151,400.09
Detroit Fidelity & Surety, Detroit...	2,000,000.00	899,702.52	289,970.25
General Casualty & Surety, Detroit...	350,000.00	91,858.94	44,185.89
National Casualty, Detroit...	750,000.00	750,000.00	150,000.00
Standard Accident, Detroit...	2,500,000.00	2,269,937.92	476,993.79
Missouri			
Central Surety & Ins. Corp., Kansas City	600,000.00	523,108.64	112,310.86
Employers Indemnity, Kansas City...	700,000.00	620,126.15	132,012.62
New Jersey			
Commercial Casualty, Newark...	2,500,000.00	2,500,000.00	500,000.00
Excess Insur. Co. of Amer., New York...	600,020.00	855,484.36	145,550.44
International Fidelity Ins. Co., Jersey City	300,000.00	1,458,318.00	175,831.80
Liberty Surety Bond Ins. Co., Trenton...	710,000.00	190,728.40	90,072.84
New Jersey Fidelity & Plate Glass, Newark	800,000.00	1,540,036.33	234,003.63
Reliance Casualty Insur. Co., Newark...	600,000.00	560,980.38	116,098.04
New York			
American Surety Co. of New York...	5,000,000.00	5,432,477.75	1,043,247.78
Capital City Surety Co., New York...	250,000.00	134,032.96	38,403.30
Columbia Casualty Co., New York...	1,000,000.00	1,290,137.15	229,013.71
Fidelity & Casualty of New York...	4,000,000.00	8,399,513.39	1,239,951.34
Eagle Indemnity Co., New York...	750,000.00	578,069.80	132,806.98
Equitable Cas. & Surety Co. of New York	1,000,000.00	716,488.19	171,648.82
Franklin Surety Co., New York...	250,000.00	155,814.79	40,581.48
General Reinsurance, New York...	1,500,000.00	1,152,036.81	265,203.68
Glens Falls Indemnity, Glens Falls...	400,000.00	400,000.00	115,000.00
Globe Indemnity, Newark, N. J.	2,500,000.00	5,000,000.00	750,000.00
Great American Indem. Co., New York...	1,500,000.00	2,362,917.55	386,291.75
Greater City Surety & Indem. Corp., N. Y.	250,000.00	125,000.00	37,500.00
Guardian Casualty Co., Buffalo...	1,000,000.00	700,000.00	170,000.00
Lond. & Lanc. Indem. Co. of Amer., N. Y.	750,000.00	941,559.05	169,155.91
Metropolitan Casualty Co., of New York	3,000,000.00	2,324,990.40	532,499.04
National Surety Co., New York...	15,000,000.00	11,812,742.74	2,681,274.27
New Amsterdam Cas. Co., Baltimore, Md.	3,000,000.00	7,000,000.00	1,000,000.00
New York Casualty Co., New York...	1,500,000.00	2,746,989.70	424,898.97
New York Indemnity Co., New York...	1,000,000.00	342,624.44	134,262.44
Northeastern Surety Co., New York...	550,000.00	111,782.73	66,178.27
Preferred Acc. Insur. Co. of New York	3,500,000.00	2,410,934.00	591,093.40
Seaboard Surety Co., New York...	1,000,000.00	995,715.85	199,571.59
Southern Surety of N. Y., Des Moines, Ia.	2,500,000.00	1,400,000.00	390,000.00
Royal Indemnity Co., New York...	1,000,000.00	4,500,000.00	550,000.00
Sun Indemnity Co., New York...	700,000.00	300,635.98	100,063.60
United States Casualty Co., New York...	1,500,000.00	2,006,218.48	350,091.85
United States Guarantee Co., New York	1,000,000.00	2,067,103.11	306,710.31
Ohio			
Casualty, Hamilton...	250,000.00	373,894.02	62,389.40
Pennsylvania			
American Reinsurance Co., New York...	750,000.00	1,356,969.52	210,696.95
Constitution Indem. Co. of Philadelphia	1,000,000.00	1,002,136.34	200,213.62
Eureka Casualty Co., Philadelphia...	500,000.00	1,000,000.00	150,000.00
Indemnity Ins. Co. of No. Amer., Philadel.	1,000,000.00	4,001,580.80	500,158.08
Independence Indem. Co., Philadelphia...	1,500,000.00	684,622.77	218,462.98
National Union Indem. Co., Pittsburgh...	1,000,000.00	280,628.79	128,062.98
Pennsylvania Surety, Pittsburgh...	500,000.00	1,023,827.10	152,382.71
South Dakota			
Western Surety Co., Sioux Falls...	286,900.00	92,036.52	37,893.65
Texas			
American Indemnity Co., Galveston...	600,000.00	530,371.61	113,037.16
Wisconsin			
Northwestern Cas. & Sur., New Orleans	750,000.00	500,000.00	125,000.00

Foreign Co's Authorized to Do a Reinsur. Business Only	Net Assets	Qualifying Power
Employers' Liability, London, Eng. (U. S. Office, Boston)...	\$670,460.06	\$670,460.06
Europ. Gen. Reins. Co., Ltd., London, Eng. (U. S. Office, N. Y.)	1,550,000.00	155,000.00
Guar. Co. of N. Am., Montreal, Can. (U. S. Office, New York)	1,371,383.07	137,138.31
London Guar. Acc. Co., London, Eng. (U. S. Office, N. Y.)	3,684,405.65	368,440.57
Ocean Acc. & Guar. London, Eng. (U. S. Office New York)...	6,179,451.41	617,945.14

- ¹Certificate of authority issued Aug. 28, 1928.
²Certificate of authority issued Aug. 28, 1928. Financial statement as of June 11, 1928.
³Certificate of authority issued Aug. 23, 1928. Financial statements of May 31, 1928.
⁴Certificate of authority issued Aug. 9, 1928.
⁵Certificate of authority issued May 10, 1928.
⁶Certificate of authority issued Aug. 30, 1928.
⁷Certificate of authority issued July 27, 1928.
⁸Certificate of authority issued July 11, 1928.
⁹All certificates of authority expire April 30, and are renewable May 1, annually.
[†]Domestic companies authorized to do a reinsurance business only.

Donnelly Succeeds Glenn

James L. Donnelly, secretary of the Western Cartridge Company of Alton, Ill., who has been elected executive vice-president and secretary of the Illinois Manufacturers Association, succeeding

the late John M. Glenn, has also been elected vice-president and secretary of the Illinois Manufacturers Mutual Casualty. C. T. Jaycox, as already announced, is vice-president and general manager of the Illinois Manufacturers Casualty.

S. L. LEGREID TALKS AT FIREMEN'S MEET

(CONTINUED FROM PAGE 11)

involved and it is difficult to handle the situation, because the courts protect property rights.

"This is a serious matter. We need the cooperation of local authorities, and especially that of the fire chiefs, in every community of the state to get rid of this hazard. There is only one practical way to do it. That is by local ordinance, strictly enforced. The ordinance should prohibit joint occupancies of this character from and after date of passage. Places already in existence should be given a definite, limited period of time to conform, and during that time the garages should be made to comply with rigid safety requirements. Most important of these are: Complete setting off of garage as a fireproof unit by means of fireproof walls and ceiling; no openings leading from garage into the other occupancy, or into any stairway or hall leading to it; removal of explosive gases by proper ventilation; safe heating equipment.

Arson Squads Helpful

"One of the recent undertakings of our department has been the organization of arson squads in cities and communities throughout the state. Ordinarily, a squad consists of a representative each from the fire and police departments, and one representing the public at large. It is the purpose of a squad to get on the job immediately if a questionable fire occurs, take charge of the premises, see that important evidence is conserved and cooperate with our department in further investigation. Although organization has but recently been completed, pleasing results have been secured.

"Local cooperation made possible by arson squads is something we have needed for years. It increases the possibility of securing convicting evidence

and it prevents crooked fires. A crook is likely to think for a long while before setting a fire in a community where there is an active arson squad.

"One of the greatest cooperative efforts ever undertaken in the interests of fire prevention and control is the short course at the University of Illinois. The course is beyond the experimental stage. The program has been reduced to one of practical instruction and demonstration. It covers all the essential problems you have to meet. The drill tower will be developed further, added to and improved. No city can afford not to be represented at the course. The chief and as many men as possible should attend. Now is the time to get busy with your city councils. Keep telling them about the course. Show your enthusiasm. Sell them on the idea of a good representation at the next course. Make special effort to have the mayor and some of the councilmen spend at least a day at the 1929 course. If I can help you by writing any of your officials, I will be glad to do so."

S. H. Pool Honored

Sidney H. Pool, resident manager at Philadelphia of the Fidelity & Casualty, was the guest of honor Tuesday night at a testimonial dinner tendered by officers and general agents of the company in commemoration of his 40th anniversary of continuous service with the company.

Field Is Extended

The New York City branch office of the Metropolitan Casualty will extend its supervision to all agencies located in Westchester, Putnam and Rock land counties, N. Y., together with the whole of Long Island. The Brooklyn branch office and the Rockville Center general agent will continue to report to the home office.

The Transportation Indemnity and the Southern Surety of New York have been licensed in Illinois.

K. V. ROTHCHILD JOINS UNITED STATES CASUALTY

IS MADE DISTRICT MANAGER

He Will Supervise Five States from
Headquarters of Company in
Chicago

Kennon V. Rothchild of Chicago, who has been connected with the local agency of William C. Danne & Co., in that city, and who previously to that was Chi-



K. V. ROTHCHILD

cago manager of the Federal Surety, has been appointed district manager of the United States Casualty with headquarters in Chicago.

He will have charge of Illinois outside

the territory of the general agency of Eldredge, Carolan, Graham & Cleary of Chicago, and Michigan, Indiana, Wisconsin and Minnesota.

The United States Casualty will enlarge its organization in this field. Mr. Rothchild has had valuable experience in casualty and surety lines.

VERSCHOYLE HEADS NEW NATIONAL SURETY BRANCH

DALLAS, TEX., Sept. 19.—The National Surety has appointed Charles H. Verschoyle manager of its Dallas branch. Mr. Verschoyle first entered the surety business in association with Fraser & Armstrong, general agents of the National in 1904. Mr. Fraser of that firm is now the president of the Woodmen of the World in Omaha.

It later developed that "Charlie" Verschoyle (as he is known to hundreds of people in Dallas) decided to go in business for himself and succeeded to the general agency of the National in 1908.

Since that time Mr. Verschoyle has succeeded in building up a very substantial volume of business for the National in Dallas but on account of the keen competition incident to developing fidelity, surety, plate glass and burglary lines, he has realized that in order to properly serve the agents, brokers and general public of north Texas, it would be better to have the full home office facilities of the National Surety and to that end the branch office has been organized and Mr. Verschoyle will continue his more than 24 years of service with that company.

Having a complete branch office of the National Surety in Dallas means that all questions of underwriting, proper quotation of rates and particularly claim adjustments will be expedited with efficiency and promptness which only a branch office is equipped to do.

Assets

\$2,306,694.43



HOME OFFICE BUILDING :: HAMILTON, OHIO

Surplus to Policyholders

\$567,214.58

THE OHIO CASUALTY INSURANCE COMPANY

FULL COVER AUTOMOBILE . LIABILITY . PLATE-GLASS . BURGLARY . BONDS

WORKMEN'S COMPENSATION

SEES HOPE IN THE BUSINESS

Companies Find That the Compensation Class Is Showing Slight Improvement in Loss Ratio

NEW YORK, Sept. 19.—Casualty executives are somewhat heartened over the improvement, slight though it be, noticeable in the conduct of their compensation business. They are beginning to feel the effect of the increased rates that have been adopted in a number of states within recent months. While not over sanguine that tariffs will eventually reach a point that will enable them to break even on the line, yet they feel that future revisions will materially reduce their net losses.

Another factor that makes for improvement is the greater readiness shown by assureds to adopt safety measures in their properties. They have learned through the sharp medium of rate advance that accident frequency must be paid for, and that it pays, even from a dollars and cents standpoint, to reduce in so far as they may the number and seriousness of injuries to their employees. While the switching of lines still obtains to a degree, it is far less frequent than in former years. This makes for a better general loss experience. The unwillingness of one office to accept a line that has had a bad experience in another, convinces the assured that the sensible thing for him to do instead of shopping about for coverage, is to place his risk in such condition that companies will regard it as a desirable offering, rather than look upon it askance.

Michigan Hearing Again Deferred

LANSING, MICH., Sept. 19.—Final hearing on the proposed filing in this schedule of the workmen's compensation schedule involving the so-called \$10 expense constant was set ahead several weeks when it was found that counsel for the interested companies could not be present Monday, the date originally fixed for resuming the hearing.

The date for concluding the hearing is now indefinite, as members of the state anti-discrimination commission, before whom arguments were being presented, are not certain when they will find it convenient to meet again. Insurance Commissioner Livingston will be out of the city a good share of the time for several weeks and it is doubtful if he and the other two commissioners will be able to agree on a date earlier than the middle of October.

Bars Evidence Before Other Commission

OKLAHOMA CITY, Sept. 19.—The Oklahoma Supreme Court has set aside an award made by the Oklahoma Industrial Commission and ordered the case retried, in an appeal that was taken by the Warren City Tank & Boiler Company and the Aetna Life against J. A. Millman and the Oklahoma Industrial Commission. The reversal comes entirely on account of the procedure in securing evidence and not on the merits of the case. The evidence was taken by the Colorado commission and upon this the Oklahoma commission made its award. "In this case evidence was taken before the Colorado commission without complying with the law and such is inadmissible in an industrial case in Oklahoma," says the opinion. The legal provision for taking of testimony in another state is set down by law and provides for notice to other parties and date when to be taken.

Fargo Protests State Charges

FARGO, N. D., Sept. 19.—Court action in protest against fees charged by the North Dakota workmen's compensation bureau may be resorted to by the city of Fargo, following consideration of a bill for \$5,965 from the bureau at the meeting of the city commission recently.

In a letter from officials of the compensation bureau, it was stated that unless the city made out a report on its

payroll and paid the fee within a "reasonable" length of time the bureau would take the matter to the courts in an attempt to collect.

Members of the city commission were unanimous in their opinion that the city should fight the matter out in the courts.

W. H. Shure, city attorney, suggested that other cities in North Dakota should protest against the fees of the compensation bureau on the ground that it is excessive. He declared that the North Dakota League of Municipalities should take action on the matter.

Urge Commission for Nebraska

LINCOLN, NEB., Sept. 19.—In lieu of state monopoly for workmen's compensation, which it can not get, the state federation of labor has come out in favor of a commission of three to handle the work in Nebraska. In the resolutions adopted it was admitted that under the law as it has been amended the worker gets benefits comparing favorably with those in other states, but that the cost of insurance to the employer has been increasing steadily since 1913 "until at the present time such costs puts Nebraska industries on an unfair competitive basis with adjoining states." It is added that the federation believes that "this increase in insurance cost is largely, if not wholly, due to the inadequate methods of administration and application of the law." The resolutions

point out that other states have used the commission plan to provide adequate compensation at lower rates than Nebraska and suggest its adoption in this state. Seven persons are now on the payroll of the department and it is urged that a commission of three, with real powers, would be able to reduce costs.

Bars Cuyahoga County, O.

The Ohio Industrial Commission has adopted a resolution barring Cuyahoga county as a unit from the benefits of workmen's compensation for its employees, so long as the county refuses to pay the annual premium of \$264,455 for 1928, of which \$180,000 is due from Cleveland. Officials of both the city and the county have refused to pay the premium and have filed suit in the state supreme court to prevent its collection.

Postpone South Dakota Hearing

PIERRE, S. D., Sept. 19.—In compliance with the convenience of those interested, the hearing before Commissioner Don C. Lewis in regard to workmen's compensation rates in South Dakota has been postponed from Sept. 14 to Sept. 29.

Advisory Board Meets

MILWAUKEE, Sept. 19.—The advisory board of the safety division of the Industrial Commission of Wisconsin held a meeting at Milwaukee last week. Dr. F. C. Mock of Milwaukee spoke on the sociological aspects of insurance and the duty everyone has in aiding his fellowmen to advance and progress in life.

WITH BURGLARY UNDERWRITERS

CONDUCTS SPECIAL CAMPAIGN

Aetna Casualty Celebrates Burglary Department's 20th Anniversary by Intense Drive for Business

HARTFORD, Sept. 19.—The Aetna Casualty has notified its agents that it will conduct during October a nationwide campaign for the acquisition of burglary insurance. This will be the first drive for this class of business ever conducted by the company, and comes at a time when the organization observes the 20th anniversary of its burglary department, it having started to write this form of insurance in October, 1908.

In his letter to agents announcing the campaign, Vice-president William L. Mooney points out that the total

annual losses from burglary, robbery and theft in this country are estimated to be more than half the total fire losses, or in other words, more than \$250,000,000 a year. The total losses paid by all stock companies under burglary insurance policies, in 1927, on the other hand, amounted to only \$12,500,000.

"Nothing more than these figures is needed to prove that insurance agents have failed to advance their own interests as they might have done by vigorously developing the burglary insurance field, and that they have failed to protect the interest of the insuring public as they should have done," the letter says.

"Where the need for insurance protection is so universal and where that need has been met to an extent that covers less than one-twentieth of the amount of loss which actually occurs, there is certainly a wide open field for wide-awake agents."

ACCIDENT AND HEALTH

COURT MAKES UNIQUE RULING

Case Involves "Material Facts" Feature in Relation to Two Accident Policies

In the case of Lester R. Ellis vs. Standard Accident, the District Court for the southern district of Texas has held that in failing to give information about another accident policy for which he had applied but which had not been delivered to him the policyholder did not conceal material facts. The insurance carrier defended its disclaimer of liability on the ground that in his application the applicant in accord with intent to deceive. The application provided that any material misrepresentations should void the policy.

The court held that questions propounded to the applicant were answered by the applicant in accord with his best knowledge. The question of primary import was whether the applicant had other insurance which in the event of disability would pay him an amount greater than his earnings. At the time he applied for his Standard Ac-

cident policy he had not received another policy for which he had applied in another company nor had he received information as to whether it would be issued. The court held it was not a good defense to recovery that in his application the assured omitted to mention facts concerning the other insurance applied for about which no direct inquiry was made even though the facts later should become material.

NUMBER OF SHIFTS MADE BY CHICAGO COMPANY

J. H. Fiedler has been appointed manager of the Washington-Fidelity-National of Chicago in E. St. Louis, Ill. Several years ago he was manager for the old Washington Health & Accident in that city. On Dec. 26, last he was made field superintendent.

Agent J. Eageny of E. St. Louis has been made field superintendent in the district. Agent R. Spaulding, formerly of the Newark, N. J. district has been made field superintendent in Jersey City, N. J.

I. L. Lingle, manager of the E. St. Louis district has been transferred to

St. Louis to take charge of the district there. He was one of the first managers of the old Washington Health & Accident having his headquarters in Cairo, Ill. He resigned to enter the fire insurance business but early last year returned to the ranks as a special canvasser. Later he was appointed to be manager at Springfield and when that district was merged with East St. Louis, he was placed in charge of the consolidated territory.

Mount Sinai Life Organizing

The Mount Sinai Life is being organized in New York to write life and accident and health business. The head office will be in New York City. The incorporators are David A. Brown, Gustavus A. Rogers, Samuel C. Lampert, Jacob Levy, Mitchell May, Francis X. Manuso, Charles Cohen, Moses H. Bresler, Samuel L. Lubell, Jacob Billikoph, William W. Cohen, Benjamin C. Ribman, Bernard Semel, Samuel Rotenberg, Joseph J. Klein, Charles W. Culklin and Leo Lowenstein.

Life & Casualty Increases Capital

The Life & Casualty of Nashville has increased its capital stock from \$1,000,000 to \$1,250,000. The company celebrated its 25th anniversary on Sept. 3. A. M. Burton is president and the directors are Edward Everett Young, H. B. Folk, P. M. Estes, Guilford Dudley and J. E. Acuff.

Hendrickson Iowa Manager

The Abraham Lincoln Life has appointed H. W. Hendrickson of Des Moines as Iowa state manager of the accident and health department.

Tomlins Joins Behrens Forces

George O. Tomlins, state agent for Ohio of the accident and health department of the Abraham Lincoln Life, has resigned to join forces with George L. Behrens of the Globe Casualty of Columbus and will act as supervisor of agents for that company. The Globe is putting out a new line of commercial policies and intends to build an agency plant throughout the state.

Writing Installment Cover

The Anchor Life of Tulsa, Okla., effected an arrangement with 21 of the motor car and truck dealers of that city and with a number of dealers throughout Oklahoma and Arkansas, by which the installment buyer of an automobile or truck is protected for the amount of his payments in case of illness or accident. The car is turned over to the estate of the buyer in case he is killed accidentally, and the company settles future payments to the dealer.

Discontinues "Free" Insurance

LANSING, MICH., Sept. 19.—The Employers Indemnity has agreed to discontinue the practice of giving "free" accident insurance for the redemption of an oleomargarine's concern's coupons which was operating through a Bay City grocery store.

Conducting Illinois-Indiana Campaign

J. D. Levette, field supervisor of the accident department of the Metropolitan Life, is in Chicago this week directing a special campaign for accident production among the company's agents in Illinois and Indiana for the next two weeks.

Goes to Convention

L. C. McGinn, superintendent of the engineering and inspection department of the Union Indemnity, will attend the National Safety Congress in New York Oct. 1-5. Prior to the convention, Mr. McGinn will visit the Detroit branch office and the New York office of the company.

Wallace A. Ockerbloom, who was assigned to Worcester, Mass., in 1925 as field assistant in casualty lines for the Travelers, has been appointed assistant manager, casualty lines, of the Worcester branch office. He was formerly in claim work for the Travelers in Springfield.

AMONG SURETY MEN

REACH DECISION ON COAST

Surety Companies Agree to Aid California Real Estate Association in Strengthening Law

SAN FRANCISCO, Sept. 14.—An agreement has been reached between the surety companies and the California Real Estate Association whereby the latter will assist in strengthening the present law requiring each real estate broker to qualify with a \$2,000 surety bond before being granted a license to operate. For more than two years the real estate men have been discussing the elimination of the bond provision from the California real estate law on the contention that it was virtually useless. At the same time they contended that the premium of \$20 charged by the surety companies was too high. About a year ago this premium rate was reduced to \$15 after a series of conferences held in San Francisco.

New Premium Rate Announced

Further investigation on the part of the realtors convinced them that the bond did not serve the purpose desired and, while discussing again the elimination of the provision from the law, also took up the matter of a further reduction in premium.

Conferences with the surety men during the past two or three months led to a discussion of several amendments which would make the bond more effective and at the same time give the surety companies rights which they do not have under the existing law. Last week the Towner Rating Bureau announced a new premium rate of \$10 per

annum for the \$2,000 bond because of favorable experience.

The real estate association has now announced to its members that amendments to the law have been agreed upon with the surety companies and that at their forthcoming convention in Sacramento a complete report will be given. These amendments will provide that the surety companies may request to be released from a bond by application to the real estate commissioner and that they may pay claims without suit with the consent of the real estate commissioner and that they will notify the commissioner of all claims paid and all claims presented to them, so that the state official may compile an accurate record of the experience.

About two years ago the real estate association, which was then engaged in a heated discussion of the matter among its own members, was presented with a proposal to organize its own surety company for the writing of the bonds. This plan, however, was killed by a number of members of the association, who were also insurance agents.

War on Lloyds Continues

At its fall meeting the Surety Underwriters Association of Philadelphia authorized its legislative committee to scrutinize the Michigan statute which the attorney-general rules prevents banks in Michigan from buying bonds from Lloyds of London, and also the recent legal interpretation of the Pennsylvania statute affecting unauthorized insurers.

Edward Hooper, chairman, W. Stanley Knight and William H. Bartley were appointed a nominating committee to choose a ticket of officers to be

voted on at the annual meeting in November.

The Pennsylvania Surety of Pittsburgh was elected to membership.

Would Change State Bonding Law

PIERRE, S. D., Sept. 19.—Commissioner Don C. Lewis is making an attempt to place the state bonding department on a more efficient basis. The custom has apparently been in the past to have the affairs of this division of the insurance department carried on by the regular force in spare time. A regular secretary has now been employed for that division and through that method the delinquent premiums which had begun to make a material showing have been pretty well cleaned up, and proper payments made.

Commissioner Lewis calls attention to one feature of the law which provides that no further premiums shall be collected after the premium surplus has reached \$100,000 until after the surplus of the department falls below that sum, but the department shall function as usual without calling for any further premium payments. He recommends a modification of that feature, showing that the book accounts of the division show a surplus of within less than a \$1,000 of that maximum, but as a matter of fact suits are pending against the department for \$116,000, and in case of court decisions against the department payment would be called for on these, and the existing law would leave a deficit.

Crisp Joins Century Indemnity

Effective Oct. 1, Fred J. Crisp, manager of the northern California branch of the National Surety, will become assistant manager of the Pacific department of the Century Indemnity, in charge of the fidelity and surety division, according to announcement of Rollo E. Pay, Pacific coast manager of the Century.

Mr. Crisp is well known in legal and surety circles of California. He is a graduate of the University of California and practiced law from 1906 to 1916, when he entered the employ of the National Surety in San Francisco as assist-

ant manager of the northern California branch under Manager Frank L. Gilbert. On the death of Mr. Gilbert in 1921 he became manager with jurisdiction over fidelity and surety, burglary, forgery and plate glass lines. He is a former president of the Surety Association of Northern California.

Large Bond Was Written

L. D. Bates, manager at Albany, N. Y., of the fidelity and surety division of the branch office of the Metropolitan Casualty, was congratulated by J. Scofield Rowe, the company's president, on securing a bond for \$1,140,000 a short time ago. The bond, one of the largest of its kind ever recorded in Albany county, was filed by Frank L. Wiswall as guardian of the property of Mrs. D. V. R. Johnson, a prominent society woman who was committed to a private sanatorium after a hearing requested by her relatives.

Harry Leonard on Trip

Harry Leonard, manager of the fidelity and surety department of the Union Indemnity, has recently begun an extended trip throughout the west and northwest during which he expects to visit the northern and southern California branches of the company as well as its general agents in the various largest cities on his itinerary.

Losses in Banks in Southeast

RICHMOND, VA., Sept. 19.—Raymond C. Harmon, formerly a bookkeeper for the Virginia National Bank of Petersburg, is under arrest charged with stealing funds of the institution to the amount of approximately \$15,000. W. L. Propst, formerly a teller for the Atlantic Bank and Trust Company of Greensboro, N. C., is also charged with embezzling funds of that institution approximately \$30,000. Both banks were covered by \$50,000 blanket policies in the Aetna Casualty & Surety.

Law Provides Impeachment

MILWAUKEE, Sept. 19.—Impeachment of any elected city official who may be found guilty of profiting through busi-



CASUALTY FIDELITY AND SURETY REINSURANCE

GENERAL REINSURANCE CORPORATION

J. G. WHITE, CHAIRMAN OF THE BOARD

E. H. BOLES, PRESIDENT

80 JOHN STREET

NEW YORK, N. Y.

FREEPORT MOTOR CASUALTY CO.

A STOCK COMPANY

Capital \$200,000.00

Established 1919

**AUTOMOBILE INSURANCE
EXCLUSIVELY**

AGENTS WANTED IN ILLINOIS

A. BIDWELL, President
L. G. YOUNGLOVE, Sec'y & Manager

Freeport, Ill.

WINZER & COMPANY

**CERTIFIED PUBLIC
ACCOUNTANTS**

**SPECIALIZING IN
INSURANCE ACCOUNTING**

29 South La Salle Street
CHICAGO

SAY!

AUTOMOBILE INSURANCE AGENTS

Do you know that you can double
your income by selling our plan of

**DEFERRED PAYMENT
PROTECTION**

**THE GUARANTY LIABILITY AGENCY
COMPANY**

Chamber of Commerce Building,
CINCINNATI, OHIO
Licensed in 28 States

ATWELL & VOGEL

PAYROLL AUDIT SERVICE

CHICAGO	MINNEAPOLIS
DETROIT	SAN FRANCISCO
DES MOINES	ST. LOUIS
OMAHA	LOS ANGELES
PHILADELPHIA	PORTLAND

C. G. ATWELL, Mgr.	B. F. VOGEL, Mgr.
4616 Bruce Ave.	4943 N. Hoyne Ave.
MINNEAPOLIS	CHICAGO

**Re-Insurance
Excess Re-Insurance
Catastrophe Hazard**

All Lines but Stressing Excess Fire Reinsurance General Classifications

DEE A. STOKER

RE-INSURANCE UNDERWRITER

111 W. Jackson Blvd. CHICAGO

Do your fellow agent a good turn—get him acquainted with The National Underwriter, the real insurance newspaper.

ness relations of the city and contractors or other firms, is provided in an ordinance, submitted to the common council here last week, by Alderman John Doerfler, Socialist.

It is intended primarily to stop the practice of city officials writing surety bonds on contractors doing public work, and is an aftermath of the John Doe investigation into the surety business here, from which nothing tangible developed. It is also intended to stop city

officials from writing insurance on city property.

Meeting at Minneapolis, Oct. 1

MINNEAPOLIS, Sept. 19—The Twin Cities Surety Association will hold its first fall meeting Oct. 1. It will be a noon luncheon meeting at which matters that came up during the summer will be discussed and plans for the future made, according to H. R. Holker, secretary.

PERSONAL GLIMPSES OF CASUALTY MEN

Roger H. Hovey, whose appointment as manager of the fidelity and surety department of the Boston branch office of the Metropolitan Casualty, is a native New Englander and received his initial underwriting training with the American Surety, serving successively as its manager at Hartford and at Providence. Later he was connected with the Fidelity & Deposit, and in 1925 assumed the management of the New England department of the Employers Liability, with offices in Boston.

Charles Niebling, president of the Bankers Indemnity of Newark, has so far recovered from the injuries sustained in an automobile accident while returning from his summer home in New Hampshire, recently, as to warrant F. E. Wilkins, vice-president and general manager of the company, starting upon his trip to Spain as originally planned. When news of the accident was received Mr. Wilkins abandoned his intention of going abroad this summer, only leaving when assured of the pronounced improvement in the condition of President Niebling.

Thomas E. Braniff of Oklahoma City, well known insurance man, who is also interested in a number of other enterprises, has found that liability insurance

is a thing to be courted. Mr. Braniff is now the owner of the Film Exchange building. He and the Fox Film Corporation and the Pathe Exchange Company which are tenants have been sued for \$25,000 by Winnie Bevels. The action arises out of the death last July of Clyde Wheeler, who is said to have been killed as the result of an accident in one of the company's elevators. Mrs. Bevels is the mother. Mr. Braniff carries landlord's insurance in the Maryland Casualty. It is an illustration of the importance of having owner's contingent liability insurance. He is merely the landlord of this building.

President J. Scofield Rowe and Vice-President **J. C. Heyer** of the Metropolitan Casualty were in Chicago Tuesday in conference with Finnegan & Jeffrey, managers of the Chicago branch office, and Howe Landers, of the Indianapolis branch.

President Rowe inspected the new quarters on the 15th floor of the addition to the Insurance Exchange which the Metropolitan will occupy in the near future.

Following their conference, Mr. Rowe and Mr. Heyer proceeded to the Pacific Coast and Mr. Landers returned to Indianapolis. Incidentally, Mr. Landers is chairman of the state Democratic committee of Indiana and in charge of Governor Smith's campaign in that state.

President F. Highlands Burns of the Maryland Casualty sailed Sept. 14 from New York on the Majestic for a visit in England. He will be gone a month, returning home about the middle of October on the Minnetonka.

Maj. John L. Baker, general counsel for the Independence Indemnity, has been spending his vacation in Yellowstone National Park and returned home via Portland and Seattle.

Edward I. Taylor, vice-president of the Century Indemnity of Hartford, will talk before the Insurance Advertising Conference meeting at Washington, D. C. He will discuss the relations between the payment of claims and the advertising of a company. He is a lawyer, being a member of the New York, New Jersey, Connecticut and Massachusetts

INCOME PROTECTION NON CANCELLABLE

You, as an Underwriter have looked forward to the day when you could sell a strictly Non Cancellable Health and Accident policy, positive, clean cut and Businesslike in every detail.

We now offer you the Opportunity with the advent of our new "Gold Seal" Non Cancellable contracts. And here are a few reasons why you can underwrite this class of coverage to the best possible advantage.

1. It is Non Cancellable, the payment of premiums being the only requisite to keep the policy in force.
2. Written on both male and female risks, unusual as to permitting women to be written on a Non Cancellable contract but true nevertheless.
3. We give male clients the option of continuing their policies up to age 70—female clients up to age 60.
4. Good first commissions and attractive renewals.

Openings for representatives available in sections of Michigan, Pennsylvania, Indiana, Illinois and Missouri.

For full details of our direct agency proposition write—Manager of Agencies

INCOME GUARANTY COMPANY
INCOME BUILDING
SOUTH BEND, INDIANA

STANDARD FORM
EXCESS LOSS
(50/50) FORM



HOME OFFICE:
INSURANCE EXCHANGE
CHICAGO



This Company Writes Plate Glass Insurance Exclusively

Write for Attractive Sole Agency Contract in Your Territory

bars. At one time he was New York metropolitan claim manager for the Frankfort General. Then he was connected with the General Accident claim department in New York and left the claim business to practice law. In 1914



EDWARD I. TAYLOR
Vice-President Century Indemnity

he went to Boston as manager of the claim division and general attorney of the Maryland Casualty for New England. He joined the Century Indemnity in 1926.

Henry S. Slipner, well-known insurance man who recently retired from the firm of Slipner & Finnegan, Chicago managers of the Metropolitan Casualty, sailed with Mrs. Slipner on the White Star liner "Majestic," Sept. 14, for a three month pleasure trip abroad. While in London, Mr. Slipner will visit his brother, Elmer, whom he has not seen for over ten years and who is connected with the American Tobacco Export Company in London.

After a very interesting three-week motor trip around the British Isles arranged by his brother, the Slipners will

tour the continent, visiting the battle fields and other high spots of interest in France, Germany and Switzerland. On his return in December, Mr. Slipner will open his own brokerage office in the Insurance Exchange, Chicago.

For 35 years Mr. Slipner, who started as office boy with the Metropolitan Casualty, gradually worked himself up the ladder with the same company until his retirement last June from the dual management of the Chicago branch.

The Atlas Casualty of Ft. Wayne, Ind., gets out a house organ of a sprightly nature entitled "Bill Atlas." It is filled with information of real value.

Jesse S. Phillips, president of the Great American Indemnity, has returned from a six-weeks tour of Europe.

MASSACHUSETTS BONDING MAKES STANTEN MANAGER

Wallace J. Falvey, vice-president of the Massachusetts Bonding, was in Chicago this week and announced the appointment of Arthur G. Stanten as manager of the Chicago branch office. Mr. Stanten succeeds the late Philip B. Shillito. Mr. Stanten has been assistant manager of the bond department at Conkling, Price & Webb, where he has been doing both production and underwriting work. He has been with that company seven years. Previous to that he was with the American Surety in Chicago for years as a producer. He has been active in the affairs of the Surety Underwriters Association of Chicago.

The present Chicago office of the Massachusetts Bonding is a consolidation of the former city surety office and the northwestern department. The office covers the territory of Cook county, Iowa, northern Illinois and northern Indiana. Arthur F. McCarthy, who has been with the city surety department, will become assistant manager of the new consolidated office.

The Southern Surety of New York and the Independent Bonding & Casualty of Newark have been licensed in Ohio.



Its able management, combined with its association with one of the strongest of insurance groups, makes its steady, safe growth assured. May we tell you more about our organization?

EAGLE INDEMNITY COMPANY
150 WILLIAM STREET
NEW YORK

Our Story:—

The Preferred Accident Insurance Company

OF NEW YORK
KIMBALL C. ATWOOD, Pres.
80 Maiden Lane, New York

Has pleased its Agents and Policyholders and steadily grown in financial solidity and in prestige for 40 years.

We write Accident—Health—Auto Liability and Property Damage and Burglary Insurance.

All Agency contracts are direct with Home Office.
Assets exceed \$12,000,000 — Surplus to policyholders over \$6,000,000.

We have some territory open that may interest you.



REINSURANCE AND EXCESS COVERS

Workmen's Compensation
and Public Liability

The Excess Insurance Company of America

JAMES GIBBS, President
Head Office

12 Washington Place

Newark, New Jersey

Telephone Mulberry 5585

LOCAL AGENTS HAVE BIG FIELD TO WORK

(CONTINUED FROM PAGE 41)

means of once more doubling this earning power from surety and fidelity premiums. You will not deny that many agents here, by devoting themselves as consistently and as personally to the work as have the brokers and agents of New York for some years, can double the amount of surety and fidelity business of their own agencies in any one year.

"In concentrating on a development such as this, you may ask what method should be used and how premiums may be doubled. The August issue of the 'Casualty Insurer' says that constructive agents are much less numerous than the other sort, adding: 'In any moderate sized town practically every agent can state where every line in the town is carried. He knows where the insurance is placed. How many of them, however, know how many unwritten lines there are or where they may be found?'

"Almost any agent can renew business

initiated by someone else. The agent who will double his income from his surety and fidelity business during the next two years is the agent who concentrates on the unwritten lines. He it is who must figure out for himself what they are, where they are, where they can be found and how to build up the development within his own territory.

Under-Insurance Obtains

"Included in the category of unwritten lines is, of course, the under-insurance of so many existing fidelity schedules and the great, great, many lines now non-existent, that through the right effort will become existent. During the past few years, many changes and improvements have been made in the writing of fidelity insurance. You should scrutinize the needs of every customer on your books, studying his business today as compared with his requirements when his insurance was first written. As the insurance advisor of your clients, it is not only your privilege but your duty to make this examination and analysis.

Alert Agent Will Work

"The alert agent will not be content with a few newspaper advertisements, a few circular letters and casual personal contacts. He will not depend on these to bring business to his office. After studying the conditions in his own territory he will make a strong drive for new business that he will find everywhere available. Agencies in larger cities where such organization will be justified will find it to their interests to build up a selling force of personal salesmen to create new business; to offer additional facilities to their clientele.

"Agents unquestionably must study their business more closely. They must interest themselves in the new lines and the new forms of coverages suggested and written by their companies. They must understand these new forms so perfectly that they can sell the ideas to their customers just as soon as the new forms are available. The pride of the agent should prompt him so to study his own business that whenever a new idea is developed by the company at its home office he will offer it to his customers with full knowledge of its possibilities just as early as any other agent or broker in the country could supply it."

INDIANA AGENTS HOLD ANNUAL CONVENTION (CONTINUED FROM PAGE 2)

of local boards at the beginning of each fiscal year elected their representative and saw to it that he functioned.

W. H. Bruner of South Bend presided at the meeting, closing his presidential career of four years' successful service. The Indiana Association has 291 members and a bank balance of \$1,633. J. W. Stickney of Indianapolis, chairman of the legislative committee, stated that it is proposed to submit to the next legislature the same agency qualification bill that was before the last legislature and nearly passed. Mutual and reciprocal agents are included as well as stock. There is much difference of opinion among the agents themselves as to what provisions should be in a bill of this nature. There is no provision now in Indiana for licensing a non-resident agent and hence when Indiana agents seek to write business in some other state they are debarred. Mr.

Stickney said that if too many teeth are put in the qualification bill it would not pass, as it would be considered too drastic. There are many activities seeking similar measures before legislatures today, he stated.

Harrington Is Speaker

W. E. Harrington, president of the National Association, was called on to speak, saying that the main purpose of the National Association is to maintain economic stability in the insurance business. The organization he asserted in all its dealings has endeavored to work for the best interests of insurance as a whole, companies, agents and the public. Mr. Harrington declared that unqualified agents have no economic value. They upset the work of those that can really give expert service. The national body, he announced, is endeavoring to get the cooperation of companies to favor legitimate and service-giving agents. The biggest problem, he said, before the organization is the non-policy-writing agent. He said that such an agent is not constructive. He tears down the business of qualified agents. It should be the endeavor of all interested in the highest welfare of the business to check the inroads of the non-policy-writing agent.

Agent Is Liaison Officer

C. C. Wysong, Indiana insurance commissioner, stressed the necessity of the agent displaying the highest allegiance to his companies. He is the liaison officer between the company and the assured. On the one side he is the employer, the agent, and the other the advisor, acting in a fiduciary capacity. The agents, he said, will either make or break the American agency system. Mr. Wysong said that the people who cause the most trouble in the insurance business, as he has observed in his official capacity, are the ignorant agents.

Should Tell Insurance Story

Harry McLain of Shelbyville, chairman of the public relations committee, asserted that little is being done to truly and adequately acquaint the public as to what insurance is doing. Insurance men have failed to tell the true story. They have not talked to people in language that they can understand. The public does not realize what wonderful work insurance is doing for mankind. In the race for volume companies have brought into the business hundreds of agents who do not understand insurance and cannot serve the public. An ignorant agent, he said, can do much to destroy the confidence of the public. Mr. McLain said that an agent cannot conscientiously and consistently sell both stock and mutual insurance.

Everett Moffett of Muncie invited the Indiana Association to hold its next meeting in his city and this undoubtedly will be accepted.

National Surety Writes Large Bond

The National Surety, through its Greater New York department, has just written a guarantee for completion of a large Spanish railroad contract to be executed by Fox Brothers International Corporation, running to approximately \$30,000,000 on railroad building in Spain.

TWO SESSIONS ARE PLANNED

Casualty Company Delegates to Advertising Conference to Conduct Round Table Discussions

The casualty group sessions at the Insurance Advertising Conference convention in Washington, D. C., will take the form of round table discussions, one sitting being scheduled for Oct. 1 and the other for Oct. 2. A Spaulding, advertising manager of the Hartford Accident, will preside at the first session and C. E. Rickard, advertising manager of the Standard Accident, at the second.

The general theme of the discussions will be "Telling and Selling the Agent, the Public." Sixteen topics are listed

for discussion on the first day and eight for the second day. The first question for the first day is, "What type of copy is most effective in selling the agent—institutional or otherwise?" Each of the other questions relates strictly to company contact with the agent and how best to effect it.

The first question for the second day's discussion is "Which is the most effective, direct-mail or display advertising, in selling the public?" Another important question, is "Can men be effectively approached on the subject of insurance through their wives?" The last question is, "How long should an agent keep after a prospect with direct-mail before we stop advertising to him?"

Protest Company's Action

LOS ANGELES, Sept. 19.—An official protest asserting non-adherence of the Union Indemnity's Los Angeles branch to conference rules was filed last week with the National Bureau of Casualty & Surety Underwriters at New York, as an official action of the southern California conference on acquisition and field supervision cost for casualty insurance and also of the local committee of the national bureau. It is stated that this step was taken only after consistent effort to secure a definite announcement on the part of Union Indemnity officials as to their future plans in southern California. The charges made in the protest allege that the Union Indemnity and its allied companies are paying commissions to southern California agents and brokers in excess of those authorized under acquisition rules. It is also alleged that the companies are authorizing their producers to quote rates lower than those contained in the manual and upon which the activities of bureau members are based. The protest suggests that the Union Indemnity organization be required to conform to the regulations governing other members of the bureau or else declare themselves nonmembers.

Federal Surety Outing

Some 200 home office employees of the Federal Surety, with their families, attended the annual company picnic at Spring Brook Country Club near De Witt, Ia. F. M. Thul won the prizes for low gross in the golf tournament, while Bob Good of the state insurance commissioner's office was runner-up. Harry Kujawa won the blind bogey tournament, while Bruce Wiles took the prize for play on the long water hole.

The approaching contest was won by Ted Lorenzen, while Claude Mahan took honors for the fewest strokes on the two water holes.

Ruth Rose captured the prize in the blind bogey for women. The first prize in the archery tournament for the women went to Miss Elizabeth Neuhaus.

Postpone Cab Insurance Enforcement

COLUMBUS, O., Sept. 19.—Enforcement of the new city ordinance at Columbus, requiring insurance for taxicabs, has been postponed until Oct. 2. It is said that the taxicab companies are having difficulty finding insurance companies that will undertake the risks.

Form Law Partnership

Eldridge H. Henning of Kansas City and Irwin Snattinger of Topeka have formed a law partnership with general offices in Topeka and Kansas City.

Mr. Snattinger has been an adjuster and attorney for some of the largest casualty companies. Mr. Henning was the general counsel for several years of the Associated Employers Reciprocal.

Company Expands Writings

C. T. Jaycox, who was recently made vice-president and general manager of the Illinois Manufacturers' Mutual Casualty, announces that on Oct. 1 the company will begin writing automobile insurance. It is his intention to expand the business of the company by writing other lines of insurance and entering new territory in surrounding states. This is the first move in that direction.

To this time the business of the company has been confined almost entirely to workmen's compensation, written in Illinois and Indiana.

The Reliance Casualty of Newark, N. J., has been licensed in Connecticut.

OPPORTUNITIES

This column serves as a market place where insurance wants may be made known to thousands of interested insurance men.

Advertisements which are received before 5:00 P. M. Tuesday are inserted in the current issue.

"Opportunities" advertisements are \$6.00 an inch for one insertion.

The National Underwriter
Chicago

AUTOMOBILE ADJUSTER

Wanted by large American Stock Company. Must be familiar with all kinds of automobile losses including finance accounts, and capable of taking charge of home office loss department. Address G-66, care The National Underwriter.

Experienced Accident and Health Insurance claim adjuster and attorney desires position with a progressive company. Address G-62, care The National Underwriter.

ACCOUNTING SUPERVISOR AND STATISTICIAN

An established general agency now in operation handling automobile insurance exclusively and assured of an increasing premium volume has an opening for a competent accounting supervisor and statistician. One with home office experience preferred. This man should be capable of creating, organizing and supervising accounting and statistical operations as well as personnel and should have the essential necessary to permit of assuming full responsibility for this work in a growing organization. Please reply in detail, demonstrating to us that you are the man we need; also indicate minimum salary acceptable. Address G-61, care The National Underwriter.

EXPERIENCED BOOKKEEPER

having charge of accounts for several years with Chicago local agency desires position as chief or assistant bookkeeper in successful Chicago office. Wants particularly position offering attractive future. Present salary \$300.00 a month. Address G-64, care The National Underwriter.

GENERAL AGENT WANTED

in
MICHIGAN—MISSOURI—and COOK COUNTY
ILLINOIS

For a Company writing full coverage auto business on semi-annual Premium basis. Only interested in man who controls volume of business and is capable of handling general agency.

Address G-63, care The National Underwriter

WOULD CALL BACK THE OLD RELATIONS

(CONTINUED FROM PAGE 11)

practices and conditions of the past, have intended to break down the relations that existed between companies and agents in past years.

The field man likely travels in an automobile. He may not spend sufficient time with the agent, so that there can be a thorough understanding of the problems. He may not have realized the importance of careful cultivation of such relations. The field man may not have sufficient knowledge of insurance to enable him to advise the agent along right lines. The automobile is standing at the curb and he may desire to get to the next place. He is a speeder.

Mr. Street said that the fire insurance business has been passing through more than the ordinary trial by fire. He does not believe that the favorable loss conditions which developed last year are to continue very long. At any rate the temporary let-up in losses does not justify any let-down in good practices.

Need for Better Understanding

Mr. Street said that there is no great business so little understood by the public as fire insurance. It appreciates the functions of life insurance. It comes in contact with the workmen's compensation laws and the working of casualty companies in writing compensation insurance. Universal use of the automobile has made the public realize the importance of automobile insurance. The people however do not know the value and uses of fire insurance. When the business is attacked Mr. Street said the companies should have the support of the agents. He hopes that he will never see again a situation when agents and companies are arrayed in opposition before state insurance departments or legislative bodies. He said when a thing of this kind takes place there has been a serious mistake somewhere. No one side is always wrong.

Need a United Front

He pointed out the good effect of the united front of all insurance people standing together. He said that in states where agents and companies through their field men have worked together to better inform the public as to fire insurance, much good has resulted. The influence of the agents when organized has been manifest. When that influence is backed by united front on the part of all interests and intelligently directed it means a power which none overrate.

He closed his talk by this appeal: "Let us work together. Let us cultivate on each side relations of which we may be proud, relations which will find us a unit in the hour of contest and trial."

INTEREST IS TAKEN IN LICENSE REVOCATION

(CONTINUED FROM PAGE 6)

1928. President Neal Bassett of Newark attended the hearing which was held in the office of the attorney-general of South Carolina.

The order further tells of the application made for the licensing of the Spartanburg agency made in February, 1928, while Mr. McMahan was in office, members of the firm seeking to be licensed being connected with the Bank of Commerce of Spartanburg. These licenses were issued to some of the applicants, it being claimed that it was not known at the time that the men were connected with a bank. When it was learned that the licenses were issued to bank employees, request was made by Mr. McMahan that the licenses be returned. When Mr. King went into office in April, he at once took up the bank agency proposition, especially as regards the one alleged to be at Spartanburg.

Attorneys for the company claim the company should have been notified directly of the position of the commis-

sioner and not through the state agent of the company.

The premium income of the Firemen's in this state was \$71,998 in 1927, according to Mr. King. Policies now in effect will not be affected by the revocation of the licenses.

According to the commissioner there

are, all told, some 88 penalty actions possible against the company on account of the writing of policies by agents alleged to have been improperly licensed or not licensed, with a minimum fine of \$500 for each offense where it can be shown the alleged violations were willful.

Attitude of State Toward Mutuals

(CONTINUED FROM PAGE 18)

any city, town, etc., to subscribe to the stock of a private corporation, but it does not forbid a loan of credit.

In Ohio the constitution makes it lawful to insure public property in a mutual fire insurance company.

There are five states whose constitution contains nothing that relates to the lawfulness of insuring public property in a mutual fire insurance company. They are: Connecticut, Kansas*, New Hampshire, Rhode Island, Vermont.

*A statute (Laws of Kans. 1927, c. 231, p. 355.) makes it lawful to insure public property in a mutual fire insurance company.

Loan State Credit

The South Dakota constitution expressly allows the state to loan its credit in aid of a business enterprise.

In two of the states the constitution forbids a loan of the credit of the state, or of counties, cities, etc., except upon the assent of the voters after an election duly held. These are: North Carolina* and Tennessee.**

*In North Carolina a majority vote is required.

**In Tennessee, the credit of the state can not, apparently, be loaned at all; but the credit of counties, cities and towns may be loaned if a three-fourths majority of voters be obtained.

Five States Hit Mutuals

The Attorneys-General of the following five states have ruled against the lawfulness of insuring public property in a mutual fire insurance company, namely: Michigan, Missouri, Tennessee, Texas, and Wyoming; and there are five cases on this question, two of which are in favor of insuring public property in a mutual fire insurance company, and three which hold the contrary.

The case of school district No. 8, in the county of Twin Falls vs. Twin Falls County Mutual Fire, 30 Idaho 400, 164 Pac. 1174, was decided in 1917.

The decision turned upon the legality of an attempt to place insurance upon school property, in a mutual fire insurance company. The court held that this could not be done, saying, per Rice, J., as follows:

"To permit a school district to become a member of a county mutual fire insurance company would be to indirectly sanction the use of public funds raised by taxation for a private as distinguished from a public purpose."

Electors Must Decide

Again, at p. 405, the court says:

"By the terms of sec. 3 of art. 9 of the constitution, a school district is prohibited from incurring any indebtedness or any liability in any manner or for any purpose exceeding in any year the income or revenue provided for it in such year, without the assent of two-thirds of the qualified electors thereof voting at an election to be held for that purpose. The language of this section is very broad and prohibits the incurring of any indebtedness or any liability in that a postponed contingent liability is not an indebtedness within the meaning of the section of the constitution until the contingency has occurred, but it is a liability which may become an indebtedness upon the happening of the contingency. Liabilities which are assumed by virtue of membership in a county mutual fire insurance company are not within the control of the member or limited in amount, and the contin-

gency may occur at any time. The assumption of such liability by a school district is contrary to the provisions of sec. 3 of art. 8 of the constitution."

In Texas Employers' Insurance Association vs. City of Tyler, 283 S. W. 929, decided by the Court of Civil Appeals in 1926, the Texas Employers', a corporation created under the workmen's compensation act, brought suit against the city of Tyler to recover \$634.98 as unpaid premiums on an insurance policy issued to the city of Tyler. The District Court for Smith county sustained a demurrer to the complaint. On appeal to the Court of Civil Appeals, this judgment was reversed; 283 S. W. 929. But on further appeal to the Commission of Appeals, this last judgment was reversed, and that of the trial court affirmed; 288 S. W. 409; and again on rehearing; 294 S. W. 195. The Commission of Appeals said:

"The Texas Employers' was a corporation engaged in the insurance business on the mutual plan, whose subscribers are stockholders in such corporation. For this reason section 52 of the constitution above quoted forbids cities and towns from becoming stockholders therein. City of Tyler vs. Texas Employers' Insurance Association, 288 S. W. 409, at 412."

Commission Explains Finding

On rehearing, the Commission of Appeals, speaking through Speer, J., said that their actual holding was that the legislature did not intend the act under which the Texas Employers' was created to apply to cities and towns, and then observed, (at p. 196):

"We expressed a decided opinion that the act would have been unconstitutional, if it were intentionally applied to cities and towns, and a majority of this commission are still of that opinion. Nevertheless, there are other considerations which prompted us to our conclusions. . . . City of Tyler vs. Texas Employers', 294 S. W., 195, at 196."

The Commission also observed that it might be true that the Supreme Court, in approving the judgment of the Commission, was unwilling to assent to the proposition that the act would have been unconstitutional, had the legislature made it applicable to cities and towns. The Commission expressly left the constitutional question open.

On June 14, 1921, Attorney-general Cureton ruled that it is unlawful for a school district to insure school property in a mutual fire insurance company.

New York Case Interesting

In White, Receiver vs. Madison, 26 N. Y. 117, decided in 1862, the Court of Appeals handed down a decision which may be of interest. "The Deputy Sheriff of Chautauqua County, A. Z. Madison, having attached and seized certain merchandise, undertook to procure insurance for same in the name of the Sheriff, one Noah D. Snow.

The defendant, Madison, executed a premium note in the name of Sheriff Snow, to the Union Insurance Company, at Fort Plain, N. Y. This company was a mutual fire insurance company. The company became embarrassed and was placed in receivership, Mr. White being named as receiver. He sued to recover the amount of a promissory note for \$105. The trial court gave judgment for the plaintiff, and the defendant appealed to the Court of Appeals. That tribunal, per Selden, J., said as follows,

(P. 125); (White vs. Madison, 26 N. Y., 117.)

"The recovery seems to have proceeded, in the court below, upon the ground that this was an action upon the note. It is rather, I think, to be regarded as an action of the warranty. The complaint states all the facts in respect to the making of the note by the defendant in the name of Snow; that he executed it without authority, and that the company issued the policy upon no other consideration than the note and the advance premium, relying on the authority of the defendant to execute the note. It also sets forth the proceedings in an unsuccessful suit against Snow on the note, and demands judgment for the costs of that suit, together with the full amount of the note; the assessments for losses being equal to that amount. On the facts stated the law implies a warranty of authority to the defendant to execute the note for Snow, and it was unnecessary, under our present system of pleading, to allege that legal inference. (Eno vs. Woodworth, 4 Comst., 249, 253.)

"In an action on the note as the contract of the defendant, a claim for the costs of a suit to enforce the note against Snow would be absurd. The amount of the note, less the assessment paid, was made the measure of damages, as if the action had been upon the note; but the allegations and proof showed that the share of the losses of the company chargeable upon the note, during the time covered by the policy prior to its surrender, was equal to the amount of the note. That possibly might be regarded as a proper measure of damages upon the breach of warranty; but whether that be so or not, no question having been made before the jury as to the amount of the recovery, if the defendant was liable at all, none can be made now.

"I think the sheriff had an insurable interest in the goods, and that the policy was valid. . . . Although he was under no obligation to insure, he could, if he chose, protect himself against this risk by insurance. . . .

"The policy having been obtained in the name of the sheriff, he had a right, to ratify it at any time during the term of insurance (M. & S., 485; Story on Agency, 248); although doubtless by doing so he would have ratified the giving of the note by the defendant, and made himself liable upon it. The section of Story on Agency, above referred to, shows that the underwriters bear the risk in such cases until there is a disavowal by the principal. This risk formed a consideration for the undertaking of the defendant, sufficient to sustain the recovery, either upon the note or the warranty, and to the extent of that recovery, neither party having asked the court to submit the question of damages to the jury. The position of the defendant's counsel is doubtless correct, that if the sheriff was authorized to insure the goods, the deputy who seized them might insure them in his name, but this power, for the reasons given above, did not authorize the deputy to give the note in question. (White vs. Madison, 26 N. Y. 117, at 126-7)."

Agent Warrants Authority

The court had previously said, (P. 124):

"Whenever a person enters into a contract as agent for another, he warrants his own authority, unless very special circumstances, or express agreement, relieve him from that responsibility. . . . An action upon such warranty must always be appropriate where personal liability attaches to an agent, in consequence of his contracting without authority. The court further held, (p. 125) that the defendant, the Deputy Sheriff, could not be held as excused from liability for an act beyond his authority, on the ground that he had acted in good faith, and the facts affecting the authority were equally well known to both parties.

The Court of Appeals affirmed the judgment of the trial court against the

deputy, Madison, the decision being concurred in by Ch. J. Denio, and Judges Davies, Wright, and Gould.

Judge Allen filed a dissenting opinion.

Deputy Lacked Authority

The result of the decision seems to be, therefore, that the deputy sheriff had lacked authority to insure the goods in a mutual insurance company in the name of his superior officer, the sheriff.

Near the opening of his opinion, Judge Selden, speaking for the court, uses this language, (P. 122): "If the deputy had power to insure in the name of the sheriff, he could not, in effecting such insurance, subject the sheriff to the hazards of that most unsafe of partnerships—a mutual insurance company. He may have had power to insure the sheriff's goods, without having power to make him the insurer of other people's goods. The latter power was attempted to be exercised when he made the note in question, and this was undoubtedly beyond his general authority."

WESTERN UNION HOLDS ITS ANNUAL MEETING

(CONTINUED FROM PAGE 1)

culties that have arisen in the city in recent years and their primary causes were gone into in a thorough manner, evidencing not only prolonged but highly intelligent study on the part of the committee of nine, which frankly admitted its indebtedness to those who had formerly worked upon the problem and who had amassed a lot of valuable data in connection therewith, use of which had been freely made by the committee. Especially, the committee stated, was it obligated to George H. Bell and Charles R. Street for helpful material.

The report of the committee, which was declared to be one of the most masterly efforts of its kind ever offered at a Union gathering, will be taken up later section by section and acted upon. What the result will be is impossible to predict, though the impression prevails that it will receive the 90 percent vote necessary for adoption. The plan has already been favorably acted upon by the Chicago Board but must be approved as well both by the Union and by the Western Insurance Bureau before it becomes operative. Should either of the last two named bodies alter the plan in any respect, it will have to be resubmitted to the three concerned organizations in its amended form. Ernest Palmer, manager of the Chicago Board, is here prepared to answer any questions as to the operation of the plan should he be called upon.

Routine Reports

Such reports, aside from that of the governing committee, as were offered, for the most part were routine in character. The report of the governing committee was unusually brief and contained no recommendations for mandatory legislation. The respective committees on arbitration, grievances, large cities co-operation in law adjustment practices, inland marine competition and over-organization expenses, had no reports, the last named committee asking that it be discharged, a suggestion that was complied with.

New Members Elected

Since the semi-annual meeting five new members, Fred W. Koeckert, manager Commercial Union; W. H. McGee, president, and Gresham Ennis, vice-president Transportation; Emil S. Tachau, president Louisville Fire & Marine, and George E. Moore, general agent of Denver, have been admitted to the organization while William Hare and Fred Rye resigned from the body. Attendance at the gathering exceeds that of former years, interest in the Chicago situation supplying the reason therefor.

The suggested change in line appointment by the Western Factory Association from the constitutional limit

method now employed to the unit system was agreed to, and will be put into operation in the near future, such procedure being determined upon at a gathering of association representatives here last night.

Publicity Committee Report

The report of the committee on publicity and education was presented by W. H. Lininger, Springfield F. & M., chairman, and emphasized the increasing cooperation which is being secured from chambers of commerce and state and national commercial organizations. The committee is cooperating with the committee on public relations and education of the National Association of Insurance Agents, and is supplying material for the monthly bulletins it is sending to its list of key men. Material has also been furnished for distribution at the fire prevention booths at a number of the state fairs and home building expositions. Over 800,000 pieces of literature have been distributed in the last five months, and a revised catalogue of the committee's publications has been issued.

The unanimous action of the union with respect to the Chicago plan was highly complimentary to the committee submitting it. The proposition goes back to the committee for the inclusion therein of certain minor changes, which, it is felt, will be entirely satisfactory. Philadelphia is to be the place of the next meeting.

H. W. Chesley remains as acting secretary of the governing committee and as acting editor of the "Bulletin". The good-fellowship dinner last evening proved a thoroughly enjoyable affair.

U. S. F. & G. to Increase Capital

BALTIMORE, Sept. 19.—Directors of the U. S. F. & G. at meeting today voted to recommend to stockholders meeting Oct. 8 an increase in authorized capital from \$10,000,000 to \$25,000,000 and issue 50,000 additional shares of stock at par value of \$100, with capital at \$10,000,000 and surplus \$18,000,000. The board also decided to recommend reduction in par value of stock from \$50 to \$10, and declared a regular quarterly dividend of \$2.25 a share and an extra dividend of \$1. While earnings were not announced, President Howard Bland reported business of year to date was the most profitable in the history of the company.

The question of organizing a fire company was also taken up by the board, which decided that capital should be \$2,000,000, with surplus of \$4,000,000. Starting of company is contingent on obtaining the proper man with fire insurance experience to head the company, which will not enter the field until after the first of next year.

Stock of the fire company will be offered stockholders and employees at \$20 a share.

WEST BADEN SPRINGS ALIVE WITH AGENTS

(CONTINUED FROM PAGE 1)

tional Association of Casualty and Surety Underwriters, and Major C. R. Morgan, president of the Charleston, W. Va., Board. All are men of outstanding personality who were listened to with rapt attention. There were two discussion periods arranged. One was led by D. J. O'Keeffe of Ft. Wayne, Ind., who is a regional vice-president of the National Association of Insurance Agents, on "Production of Fidelity & Surety Business," and the other by J. Stewart Pearce of Tulsa, Okla., on "Efficient Agency Management." Mr. Pearce is a member of the better business methods committee of the National association.

Mr. O'Keeffe, who is past president of the Indiana association, has given much attention to the casualty and surety development.

The afternoon was spent largely in outdoor entertainment, largely golf.

The executive committee held a meeting this afternoon and there was a conference of state representatives on the Oil Insurance Association reducing commissions.

Fisk Presented Report

Earl E. Fisk of Green Bay, Wis., chairman of the public relations educational committee, presented the report of the committee, recounting the activities of the organization of key men in the states in spreading insurance education through business and civic organizations. The work is progressing satisfactorily, and to accelerate it the chairman and Walter H. Bennett, secretary of the National association, are collaborating in the preparation of a booklet definitely outlining the work expected of the key men and illustrating how best they may do it.

One of the addresses was that by O. M. Spaid of the D. Sherman Ellison agency at South Bend, Ind., his subject being "Necessary Production Knowledge." Following a review of the history of fire insurance he spoke on the theory of measurements in fire hazard and stressed the importance of standards in the fire insurance business.

J. Heber Hudson, director of the mercantile affairs department of the Illinois Chamber of Commerce, was one of the get-together dinner speakers. He combined the serious and the humorous in an address entitled "Make Hay While the Sun Shines."

Harry O. Spillman of Buffalo, N. Y., educational director of the Remington-Rand Company, spoke briefly on "Sustained Organization." He underscored the necessity for keeping a producing organization at high tension in order that it may not snap under the strain of competition.

De Van Tells of Opportunities

"More opportunities are being offered the local agent today to enlarge his business through various new and undeveloped lines of insurance. His failure properly to post himself on these new developments and to take advantage of the opportunity to educate himself will mean a serious disadvantage to him." So said R. P. De Van of Charleston, W. Va., in his address titled "Business Development." To point his argument Mr. De Van stressed the increasing importance of the airplane in commercial and recreational pursuits. He said no agent can stand still in his business. Either he goes forward or backward.

Would Aid University Courses

George A. Caldwell of Knoxville, Tenn., president of the Tennessee association, made a strong plea for National association assistance in working into university courses in insurance the point of view of and the information necessary for the local agent. He said the courses already are valuable, but can be made more so if the needed practical information is added to the theoretical knowledge to be derived from these courses.

Charles L. Gandy of Birmingham, Ala., president of the Alabama association and member of the National association executive committee, suggested that it be made a condition of membership in the association that the agent shall be a member of the local board of his community, if there be a local board, and that every local board member shall be a state association, and from this a National association, member.

J. K. Shepherd of Little Rock is the accredited representative of the Association of General Fire Insurance Agents attending the meeting.

Confer on Oil Insurance

On Wednesday afternoon there was a conference of agents from the states interested in oil insurance with H. M. Carmichael of Chicago, manager of the Oil Insurance Association, over the reduction in commissions on oil business placed through his organization.

R. P. Devan of Charleston, chairman

of the executive committee of the National association, will represent the organization at the New Jersey agents' meeting. Charles L. Gandy of Birmingham will be present at the Kansas and Oklahoma meetings and Clyde B. Smith of Lansing will be at the Wisconsin meeting.

Get Out Educational Booklet

The executive committee has decided to get out an educational booklet that members can hand out to their assureds, explaining clearly and briefly some of the main features of stock insurance. The executive committee will take up with the National Automobile Underwriters Conference and the National Bureau of Casualty & Surety Underwriters the proposition of getting out a standardized rate sheet that will fit the same cover. The present sheets are not uniform and require different books.

There is an interesting exhibit of local agency advertising, various offices presenting their advertising material in a contest. The judges are C. C. Younggreen of Milwaukee, president International Advertising Association; W. W. Ellis, National Board, and W. W. Darrow, advertising manager Home of New York.

Get-Together Dinner

President W. Eugene Harrington presided at the get-together dinner Tuesday evening. J. W. Stickney of Indianapolis introduced the men at the speakers' table. The former presidents at this table were E. M. Allen, James L. Case, Cliff C. Jones, A. W. Neale and Frank L. Gardner. W. H. Bruner of South Bend, president of the Indiana Association of Insurance Agents, brought the greetings of his organization. Insurance Commissioner C. C. Wysong of Indiana, in his talk, said that but few people appreciate how insurance enters into the life of the people twenty-four hours a day.

F. Harold Vanorman, lieutenant-governor of Indiana, well known hotel man of Evansville and owner of the Orlando at Decatur, Ill., in his talk urged people to be loyal to their calling and to the institution they represent. J. Heber Hudson of the Illinois Chamber of Commerce declared that business men must keep in touch with progress or they will get lost in the shuffle. Charles H. Buras of Chicago, president of the National Association of Casualty & Surety Agents, extended good wishes from his body.

Richardson Vice-President

Charles D. Richardson of Pittsburgh, district manager of the Fidelity Investment Association of Wheeling and a well known financier, has been appointed vice-president of the Pennsylvania Surety, which started business a few months ago.

New American Surety Director

At a meeting of trustees of the American Surety Tuesday the regular 5 percent quarterly dividend was declared. At the same meeting William Whiting, president of the Whiting paper Company of Holyoke, Mass., was elected a member of the board, succeeding his father, William F. Whiting, who was recently made Secretary of Commerce.

General Agents Appointed

The Anthony Insurance Agency, Greenville, S. C., has been appointed general agent for the Metropolitan Casualty. The Alfred H. Wagg Insurance Agency, West Palm Beach, Fla., will hereafter do general agency work on fidelity and surety business for the Metropolitan, according to an announcement by J. Scofield Rowe, president.

Albany Branch Office Opened

Harold G. Green has been appointed acting resident manager of the Maryland Casualty at Albany, N. Y., following the resignation of P. J. Burke & Sons as agents. Mr. Green has his office at 307 Standard building in Albany.

**Our Agents
always
get more
than an
even break**

ZURICH

**General Accident & Liability
Insurance Company, Limited**

HEAD OFFICE, Chicago EASTERN DEPT., New York

MASSACHUSETTS ACCIDENT COMPANY

BOSTON, MASS.



Established 1883

OUR SPECIALTY:

Non-Cancellable Disability Coverage
Renewable to Age 60
Total Disability Indemnity
Unlimited
Partial Disability Indemnity
Unlimited, or 12 Months' Limit
Waiting Period
14-30-60 or 90 Days

CHESTER W. McNEILL, *President*
V. R. WESTON, *Manager Commercial Dept.*

INDEMNIFIERS FOR OVER FORTY YEARS

**Full Coverage
Automobile
Insurance
At
Independent
Rates**

Stock Company
UNDERWRITERS CASUALTY COMPANY
HOME OFFICE
PLANKINGTON BUILDING MILWAUKEE, WIS.
Capital and Surplus
\$200,000.00

Agents Solicited

Ohio, Indiana, Illinois, Nebraska, Iowa
Casualty Writing Agencies

*Some Good Territory is open for Direct
Home Office Reporting Connections*

AMERICAN CASUALTY COMPANY
READING, PENNA.

Incorporated 1902

ASSETS \$3,218,290.89

Income Insurance Specialists

**OPPORTUNITIES FOR SALESMEN
IN FORTY-SEVEN STATES**

North American Accident Insurance Co.
209 South La Salle Street, CHICAGO

**A Substantial Conservative
Automobile Company
All Forms in One Policy**

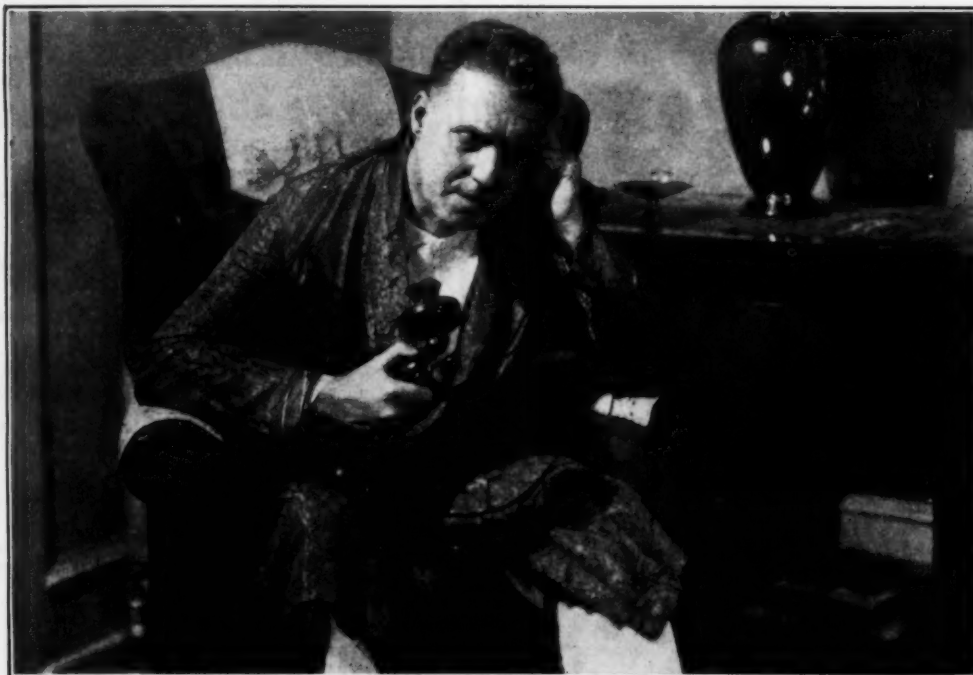
**ILLINOIS MOTOR
CASUALTY COMPANY**
SPRINGFIELD

J. L. PICKERING, *President*

Policyholders' Surplus Over \$375,000.00.

**New Amsterdam
Casualty Company**

**A Progressive
Surety and Casualty Company**



"POLICE HEADQUARTERS TALKING!"

Suppose the telephone should ring late tonight.

"Police headquarters talking," says the voice at the other end of the wire. "Your place of business has been entered by burglars. They've looted your safe. Better come down as soon as you can and let us know what they've taken."

How would one of your clients feel?

Discouraged at the prospect of having a heavy loss?

Or thankful because you had sold him a Travelers Safe Burglary policy covering the stolen valuables and the cost of repairing or replacing the safe?

THE TRAVELERS

THE TRAVELERS INSURANCE COMPANY



THE TRAVELERS INDEMNITY COMPANY

THE TRAVELERS FIRE INSURANCE COMPANY

HARTFORD,



CONNECTICUT

The largest multiple-line insurance organization in the world.

AGENTS CONVENTION NUMBER

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

FRIDAY, SEPTEMBER 21, 1928

NORWICH UNION

Greeting
and
Acknowledgement

IN extending greetings to the National Association of Local Insurance Agents, the Norwich Union Companies express an acknowledgement of the splendid efforts of its Agents.

We appreciate the privilege to cooperate, assist and serve them cheerfully and wholeheartedly at all times, recognizing that the success of our Agents means the success of our Companies.

NORWICH UNION

FIRE INSURANCE SOCIETY, LTD.
75 Malden Lane, New York

Hart Darlington, Manager

EAGLE FIRE COMPANY

of NEW YORK
INCORPORATED 1896

75 Malden Lane, New York

Hart Darlington, President

The Oldest New York Insurance Company

NORWICH UNION

INDEMNITY COMPANY

75 Malden Lane, New York

H. P. Jackson, President

H. L. Kidder, Secretary

In NORWICH UNION there is strength.

COMPANIES

Centralize

FOR "FRIENDLY SERVICE"

*Writing
Casualty & Surety
Business
In Forty-two
States*

During Twenty-four months over 2000 Agents, in 42 States have "CENTRALIZED" their Casualty and Surety Business to the extent of over THREE and ONE HALF MILLIONS in premiums. They KNOW the men who are in back of this Middle-Western Company. They KNOW the kind of service to expect from them—practical, friendly service with simple, direct methods.



CENTRAL SURETY AND INSURANCE CORPORATION

KANSAS CITY
Fred W. Fleming
President

MISSOURI
Dennis Hudson
V. P. & Manager of Agencies



To the Members of the National Association of Insurance Agents the Royal Insurance Company, Limited, extends cordial greetings.

We believe with your Membership that the business of Insurance can succeed only when conducted upon a fair and honorable basis; so conducted it promotes the best interests of the Insuring Public, the Insuring Companies and the Qualified Agents and reflects upon you who faithfully represent the Insuring Companies to the Insuring Public the credit that is your due.

We wish for your Association and for its members individually long continued enjoyment of the prestige and influence that your labors have gained for you.

ROYAL

INSURANCE COMPANY, LTD.

DEPARTMENTAL OFFICES:

ATLANTA, GA. <i>Milton Dargan, Manager</i>	CHICAGO, ILL. <i>Elwin W. Law, Manager</i>
NEW YORK <i>William Mackintosh, Manager</i>	BOSTON, MASS. <i>Field & Cowles, Managers</i>
	SAN FRANCISCO, CAL. <i>H. R. Burke, Manager</i>

Does it Pay to Read An Insurance Paper?

OBERVE what a single issue of The National Underwriter did for the Fisk Insurance Agency of Green Bay, Wis. In these days of competition, the agents who succeed are those who are up to date on all phases of their business. The time has gone by when an agent could build his business merely by being a good fellow.

NOT A HIT OR MISS BUSINESS

Premiums of Fire and Casualty Companies in 1927 were \$2,069,314,099. What percentage of the total did you write? Is that a business to be done hit-or-miss, or by agents who don't know what is going on? Practically all of this immense volume was handled by experts. It

EVERY week there are important developments affecting the interests of agents. There are decisions of courts, ruling of insurance departments, changes in underwriting rates and rules, meetings of insurance organizations, methods of applying modern business facts to selling. All of these affect the agent's income and the service he can and must give his customers.

THREE KINDS OF AGENTS

There are three kinds of insurance agents: Those who want more money and are willing to work for it, those who are satisfied with what they have, and those who want more money but are unwilling to work for it.

The first kind are getting the business. They read insurance papers, buy insurance books and learn all they can. It is for them that the great National Underwriting publishing business has been built up. In fact, they have built it up by their patronage.

The National Underwriter is far in the lead among insurance journals in circulation and service. It reaches more insurance agents, more field men and more companies and company officials than any other weekly paper. Its news service covers the entire country through a dozen staff writers and 150 correspondents. A large part of its news comes by telegraph. After gathering the news on Wednesday, The National Underwriter is printed almost on a newspaper schedule and actually catches the fast newspaper trains out of Chicago on Wednesday night, being delivered Thursday morning to subscribers within 500 miles of Chicago. The copies for subscribers are routed by trains, special sacks being made up for the larger towns, like Akron, Duluth, Atlanta, San Antonio, etc. In big cities like Cleveland, Detroit, Boston, Kansas City, etc., the copies are routed not merely in direct sacks, but also to the post office stations from which they are to be delivered. A post office weigher stationed Wednesday nights at the printing shop weighs all the sacks and despatches them to the proper trains, the mailing list being arranged to despatch the earliest copies to the more distant points by the most favorable trains.

Other services for the benefit of insurance are maintained by The National Underwriter Company. The Underwriters' Hand Books of the various states are invaluable. The Argus Charts, Fire and Casualty, give a statistical service that is unapproached in value and completeness anywhere else. Their completeness has made them a factor in

has been said that 20 percent of the agents handle 90 percent of the business. In other words, the "live ones" are away ahead of the "dead ones." But even if you are one of the 20 percent, are you getting all the business you should? Are you holding your position in your town? If not, is it because you don't know enough about insurance to win the confidence of important insurance buyers?

The Fisk Insurance Agency is "on its toes." It lost no time when a decision came in that was bound to turn the scale on a big line. But before that, it put itself in the way of getting all important news about the insurance business. "All the member of its staff" are faithful readers of The National Underwriter.

FISK INSURANCE AGENCY
DUCHEAU BUILDING

GREEN BAY, WIS.

May 3, 1928

Mr. C. M. Cartwright,
Chicago, Ill.

Dear Charley:

You will be glad to know that your paper was of unusual good use to us today for we used the complete story of the Pennsylvania Court decision on a municipality carrying mutual insurance to hold the City of Green Bay's compensation insurance. This meant a good sized premium for our office, and I want you to know that the National Underwriter did the work for us.

As soon as the paper came in this noon, I immediately turned it over to the City Attorney so that he could have the complete opinion of the Pennsylvania Court; so this went out of our office before any of us had an opportunity to read the rest of the paper. As all the members attached to our staff are very regular and constant readers of the National Underwriter, we will miss our copy this week.

I will appreciate it if you will send us another copy post-haste.

Yours very truly



EARL E. FISK

underwriting. No attempt is made here to describe the immense importance of The National Underwriter's life insurance services.

Other services for fire and casualty insurance include two sales courses, one for fire and one for casualty and bonding insurance, besides a course on the application of the Dean Schedule. Besides these, two educational monthly magazines are published for agents, the Accident & Health Review and The Casualty Insurer. A book department is still another service.

Agents who want to improve their income by learning more about what they have to sell should read The National Underwriter every week.

For aids to systematic study, address

THE NATIONAL UNDERWRITER COMPANY

A-1946 INSURANCE EXCHANGE, CHICAGO, ILLINOIS

420 E. FOURTH STREET, CINCINNATI, OHIO

ATLANTA, GA.
1517 Fourth Nat'l Bank Bldg.

DES MOINES, IA.
313 Iowa Nat'l Bank Bldg.

Branch Offices:
DETROIT, MICH.
848 Book Building

NEW YORK, N. Y.
80 Maiden Lane

SAN FRANCISCO, CALIF.
105 Montgomery St.



To Members of The
NATIONAL ASSOCIATION
of INSURANCE AGENTS:

Your officers in devoting this Annual Convention to the consideration of plans for "business development" are using the best of judgment.

The influence of your Association with the rank and file of this country has been consistently wise and constructive.

We confidently look for a continuation that has marked the progress of your organization over its many years of useful existence.

WM. B. JOYCE, Chairman

E. A. ST. JOHN, President

E. M. ALLEN, Executive V. P.

NATIONAL SURETY COMPANY

SPENCER WELTON, President

NEW YORK INDEMNITY COMPANY

115 Broadway, New York City





The live
agent appreciates
the drawing power
of this strong fleet—
The Fireman's Fund,
the Home Fire and
Marine, and the
Occidental



The Big Parade



Trucks that pass by day and by night — hundreds of them on the highways — just one big parade. Most of them heavily laden with goods representing substantial values. Many of these loads are insured — some are not. Are you equipped to protect shipments originating in your locality?

These Companies are now also writing other Inland Marine Classes which include

Trip Transit
Fine Arts
Musical Instruments
Surgical Instruments
Parcels Post
Airplane Property Damage
Transportation Floaters
[Freight Steamer Express]

Scheduled Property Floaters
Fur Floaters
Registered Mail
Silverware Floaters
Jewelry Floaters
Radium Floaters
Personal Effects
Other Special Classes

THE PHOENIX

INSURANCE COMPANY

HARTFORD, CONN.

Connecticut

FIRE INSURANCE COMPANY

HARTFORD, CONN.

EQUITABLE

Fire & Marine Insurance Company

PROVIDENCE, R.I.

We Cooperate with Agents

Since 1848 the Ohio Farmers Insurance Company has stood for everything that is great and enduring in underwriting: abundant financial resources; corporate honesty to the point of generosity in the meeting of all obligations; fair practices and, best of all, a human contact that has inevitably produced a peerless service to agents and policyholders.

When you represent the Ohio Farmers every opportunity is yours to broaden your agency. You are not restricted by lack of organization or genuine home office help. You are immediately taken into the Ohio Farmers Family and accorded every possible facility that can be used in strengthening your position as a local representative of a good and sound fire insurance company.

The Company's agents find in the home office, under all circumstances, a wholesome cooperation, as well as a desire to meet in the most liberal way the wishes of the policyholders.



OHIO FARMERS INSURANCE CO.

Organized 1848

Le Roy - - - Ohio

FIRE AND AUTOMOBILE INSURANCE



Let's-



tie up with a fast Growing Aggressive Company

THE Union Indemnity Company has set a pace for sound growth and development unequaled even in this day and generation.

Sound underwriting, liberal policies aggressive management and resources adequate to handle the largest contracts, have made this possible.

Starting in 1920 with a capital of \$500,000 and a premium income of \$2,794,390, Union Indemnity Company has in less than eight years amassed a capital and surplus in excess of \$4,000,000 and a combined premium income that will exceed \$14,000,000 for 1928.

The Union Indemnity Company and affiliated companies are one of the strongest multiple line organizations in the country. More than 5,000 Agents from Maine to California and from Canada to the Gulf, write all classes of casualty and surety coverage. These representatives receive all the advantages given by a fast growing aggressive company.

You are looking forward to a connection that will help you grow with a growing company. Write us about it. We will be glad to go into details.

Union Indemnity Company

Union Indemnity Building, New Orleans

Union Title Guarantee Co., Inc.
La Salle Fire Insurance Company



Northwestern Casualty & Surety Co.
Bankers & Merchants Fire Insurance Co.

There is no capital inter-relation between these affiliated companies

Correspondence is invited with progressive agents
in territories where we are not represented.
Address Agency Department, New Orleans, La.

WHY NOT PROFIT BY IT?

The Growth of Surety— Premiums of over \$100,000,000.00 a year are being written by some fifty surety companies.

This represents one hundred times as much in Fidelity and Surety premiums as was written fifty years ago.

Surety today is an essential service in our modern business life.

Financial guarantees are required in almost all business agreements.

The Scope of Surety— **FIDELITY BONDS**—Individual, Schedule, Position, New Schedule, Blanket Position, Fidelity Blanket, Banker's & Broker's Blanket Bonds, Public Official, Federal Official, Notary Public Bonds.

CONTRACT BONDS—Bid Bonds, Construction Contracts, Supply Contracts, Maintenance Contracts, Indemnity Bonds, Lenders or Lessors, Sub-Division Bonds, U. S. Main Contracts, (all) Lien, Patent Infringement.

MISCELLANEOUS BONDS—Freight Charge, Lost Security, Warehouse, Blue Sky Law, Commission Merchants, License & Permit for States, Counties, Cities, Towns, Villages and other Municipalities.

COURT BONDS—Bankruptcy, Administrators, Executors, Guardians, Appeal, Replevin, Receivers, Conservators, Assignees, Cost.

FEDERAL BONDS—Internal Revenue, Income Tax, National Prohibition, Immigrants Bonds, Custom House.

DEPOSITORY BONDS—



Our Position— The New York Indemnity Company in association with the National Surety Company has a larger qualifying power than any other company writing Fidelity and Surety lines; has at its command unexcelled underwriting facilities, experience and information; has a Fidelity and Surety claim organization which extends throughout the country.



If you are interested in establishing a real surety connection for the development of SURETY business on a profitable basis—write

New York Indemnity Co.

115 BROADWAY, NEW YORK CITY

WILLIAM B. JOYCE, *Chairman*

SPENCER WELTON, *President*

Monday, 18th April, 1853

Meeting of the Executive Committee of
The Home Insurance Company.

Present: Messrs. Bigelow, Mr. Farnum, Wood
and the President.

The names of twenty applicants for the
Agency of this Company at different points
were submitted by the President, and after
due consideration the following persons were

On Motion, Separately and respectively
appointed Agents of the Company. Viz:-

John G. North, at New Haven, Ct. & vicinity

Curtis L. North " Meriden " "

Ira Sherman " Bridgeport " "

N. N. David " Albany N.Y. "

Lucas " Castleton " "

Beardslee " Elmira " "

Doyle " Buffalo " "

Dwyer " " " "

Wires & Peck " " " "

St. L. Davies " North Adams, Mass. "

Wheat St. Bullbrook " Worcester " "

McCordy & Loomis } " Pittsburgh Pa. "

On Motion,

Resolved, That it is considered desirable
for all agents appointed by this Company to
become Stockholders to some extent.

Attestation, Adjutant

J. Martin
Secy

The First Page of the Home's Minute Book records eleven agents appointed. An early endorsement of the American Agency System by THE HOME OF NEW YORK.

The National Underwriter

THIRTY-SECOND YEAR, No. 38-A
EXTRA EDITION 25 Cents a Copy

CHICAGO, CINCINNATI, SAN FRANCISCO AND NEW YORK, FRIDAY, SEPTEMBER 21, 1928
Office of Publication, 175 West Jackson Boulevard, Chicago, Illinois

AGENTS
CONVENTION NUMBER

De Van Is National Association Head

Harrington Refuses to Consider Another Term—Clyde B. Smith Selected as Chairman of Executive Committee

Good Official Lineup

*Convention Headquarters,
West Baden, Ind., Sept. 21*

W. EUGENE HARRINGTON, president of the National Association of Insurance Agents, has given the organization much time and thought. He has contributed generously to its well being. He came up through the executive committee and became its chairman. He was largely responsible for the onerous but constructive work of the better business methods committee. In every act and word he has been conscientious and sincere. Mr. Harrington announced prior to the convention that he could not consider another term. He has sacrificed much already. His personal affairs require his attention. It was with great regret that the members acceded to his request.

DeVan Steps Into the Presidential Chair

R. P. DeVan of Charleston, W. Va., chairman of the executive committee, was in line of succession and was chosen president. This was the natural course of events. Mr. DeVan deserves the high honor that has come to him. He has served three years on the executive committee and has been regarded as one of the strong pillars of the organization in its recent years. Personally he is one of the most popular men of the national body. Like others who have succeeded him he is most earnest. He is conservative, yet does not hesitate to speak his mind with courage after he has reached

NEW OFFICERS ELECTED

PRESIDENT

R. P. DeVan, Charleston, W. Va.

CHAIRMAN EXECUTIVE COMMITTEE

Clyde B. Smith, Lansing, Mich.

VICE-PRESIDENTS

Middle Atlantic States—James W. Cook, Providence, R. I.

Middle Atlantic States—Eugene A. Beach, Syracuse, N. Y.

Southern States—T. Anglin White, Birmingham, Ala.

East Central States—H. G. McMillan, Knoxville, Tenn.

Southern States—M. E. Williams, McAlester, Okla.

Missouri Valley States—C. G. Blakeley, Jr., Topeka, Kan.

North Central States—W. T. Greene, Milwaukee.

Great Lakes States—Shirley E. Moisant, Kankakee, Ill.

Rocky Mountain States—David J. Main, Denver, Colo.

Southwest Pacific Coast States—H. J. Thielen, Sacramento, Cal.

what he thinks are correct conclusions. The activities of the National association will be carried on under his guidance with the same devotion to principle that they have in the past. He has some big work cut out for him but he is large enough for the job.

DeVan's Career Has Been Varied One

Mr. DeVan is a native of New Orleans. He graduated from the University of Pennsylvania in 1907, having taken the

course in civil engineering. He went to New York City and became a stock and bond salesman. In 1910-11 he was located in Oklahoma City, being in the real estate business. He moved to Charleston, W. Va., in 1911 and took charge of two glass plants at Dunbar, adjacent to that city. In fact, Mr. DeVan laid out the Dunbar subdivision. He came in contact with the firm handling the insurance of his concern and found much of interest in that line of

(CONTINUED ON NEXT PAGE)

Favor Higher Standards

*Convention Headquarters,
West Baden, Ind., Sept. 21.*

THE National Association of Insurance Agents is gaining momentum year by year. Sentiment is crystallizing along certain definite lines. One prominent feature that came to the front from time to time at this year's convention was the enthusiasm displayed whenever a speaker referred to the need of better trained, full time, competent agents and decried the competition of side line representatives, who are largely commission grabbers. Undoubtedly the full time, well informed experienced agent feels that his training and knowledge are worth something and should not be pitted against ignorance and inexperience.

Some of the outside speakers took occasion to criticize the insurance man who is not able to program the needs of his clients. With business being more complex and insurance demands requiring expert attention, the trained agent believes that the public will recognize the economic waste of incompetent insurance agents who, the members of this The line of cleavage between the intelligent service giving agent and the part-time man is becoming more sharply drawn. The agents claim they have with them the insurance commissioners who from their chairs, observing the trend of events from an impartial standpoint, recognize the value of the competent local agent.

While at this meeting opinion had not



R. P. DE VAN, Charleston, W. Va.
New President



W. EUGENE HARRINGTON, Atlanta
Retiring President



CLYDE B. SMITH, Lansing, Mich.
Chairman Executive Committee



W. H. BENNETT, New York
Secretary

arrived at the point where standardization of membership as to company representation could be put into effect, yet indications point to the fact that this step will be taken perhaps at the next annual convention or may be a little later. The organization has had a fine increase in membership during the year. Its principles have been tested and tried. The leaders in the National association undoubtedly feel the time will shortly come when every member must stand loyally for certain fundamental principles and must be allowed to represent only companies that adhere to such principles. If the American agency system is to be preserved these leaders contend that the time has arrived when the National association should stand on the foundations on which it rests and should do everything to preserve them.

Has No Way of Enforcing Rules

At the present time the National association may declare a company in violation of the so-called Milwaukee resolution or the conference agreement. It has no way of enforcing its rules. There are many members still representing so-called outlaw companies. The leaders claim that this condition cannot exist if the National association is to live and become a greater power for usefulness. If a company is not in sympathy with the principles of the National association and defies it, then these leaders say the axe should be used and not simply placed at the foot of the tree. At the present time the National association has no power to compel its members to resign any company nor has it felt it had reached a time when it should say to the agents that no one would be allowed to enjoy its privileges if they represented those companies that the National association has officially declared to be in violation of its principles. If the National association does take drastic action and establishes a standard of membership that will compel its members to either resign from the organization or resign outlaw companies, it will undoubtedly force out some very desirable agencies. However, the leaders say that the future of the National association depends on its standing for its rights even at a sacrifice of numbers. An observer on the side lines can certainly feel the time is arriving when this membership standard will be established.

Last Session Is Held Friday Morning

The Friday morning session was the last one, President Harrington holding everybody down to the minimum of time in order to adjourn at noon. He paid a tribute to the past presidents, saying that they were a great help to their successors and to the organization. He called Frank L. Gardner, his immediate predecessor, to the platform and he was enthusiastically greeted.

H. Gilbert of Pearce, Porter & Martin of Tulsa, Okla., told something of the office system and methods of his organization. The work is conducted on an expense ratio of 5.3 percent. He said that the women employees of the office become acquainted with the work of all desks so that in case of an overflow in any one department, part of the work can be switched to others. After experimenting with solicitors on a brokerage and salary basis the firm decided to fix a salary plan, giving, however all an interest in the business.

Profits Are Divided At End of Year

The profits are divided at the end of the year. Each solicitor fills out every morning a daily plan sheet showing whom he is to see and what he is to do that day. These are carefully examined and duplication is eliminated.

Mr. Gilbert said that his firm renews 95 percent of its own business. His organization is now securing on an average \$1,200 a day in new business.

O. M. Spaid of South Bend, Ind., formerly with the Indiana Inspection Bureau, gave his paper "Necessary Production Knowledge."

National Union Placed on List of Objectionable Companies

FOR the first time in the history of the organization an executive session of the association was held. The session of the executive committee Tuesday of convention week to which the state officers and other members are invited is executive. There was no regular session of the association Wednesday afternoon. The golf tournament was held and members interested in the action of the Oil Insurance Association in reducing rates met in conference with the managers of that association. On Wednesday evening the members all met in executive session.

The main subject discussed was the complaint of the Minneapolis Association of Insurance Agents backed up by the Minnesota association to the effect that the National Union Fire of Pittsburgh after many attempts to get it in line had failed to fall in line. The matter was referred to the National executive committee, the formal charge being made that the company was in violation of the conference agreement.

Executive Committee Action Is Ratified

The executive committee made a statement which was read at the executive session and it was adopted. The result is that the National Union Fire is put on the objectionable list, the statement is as follows:

"The executive committee of the National Association of Insurance Agents on July 5, 1928, adopted the following resolution:

"Resolved, that in view of the evidence before us it is the opinion of this committee that the practices of the National Union Fire are in violation of two of the cardinal principles of the National association, namely, 'limited agency representation of the same company in the

same territory' and 'appointing financial institutions, their officers or employees as company representatives in competition with established agencies.' The executive officers of the association are hereby instructed to present our conclusions to the company and continue negotiations with it for the purpose of having the company recognize the above principles and adjust its practices in accordance therewith. If this can not be accomplished by Sept. 17, 1928, then that this matter be made a special order for further consideration by this committee at that time.

Attempt to Get Company in Line Has Failed

"The executive officers of the National association, charged by the executive committee on July 5, 1928, with the duty of presenting to the National Union Fire the conclusions of the committee with reference to the practices of that company, in obedience to such resolution, made a sustained attempt to discharge the duty and secure from the company a revision of the practices mentioned to conform with the principles stated. This attempt has failed.

"The executive committee in obedience to the resolution adopted on July 5, 1928, made the above matter a special order for further consideration on Sept. 17, 1928, and on that date adopted the following resolution:

"Resolved: That it is now the judgment of the executive committee of the National Association of Insurance Agents that the National Union Fire is intentionally and continuously in violation of the respective principles stated in the above resolution, and falls within the scope of the Milwaukee declaration."

RESOLUTIONS ADOPTED

Resolved: In the report made to this convention by the president the following statement appears:

"At this time there can be no division of opinion on the way by which the old time loyalty may be restored. The condition that will once more give an agent pride in his company, a sense of honor, make him jealous of its representation, provide a definite responsibility, guard its interests carefully, and furnish it with a satisfactory volume of well chosen business, is a return to the honored and respected sole agency method of company representation."

This convention approves and adopts this statement and requests the incoming administration to negotiate with the National Board toward establishing a practice of restricted company representation that shall be satisfactory to the local boards in their respective communities.

* * *

Resolved: That we express appreciation and satisfaction at the incorporation of the Rochester Department of the Great American. We are particularly gratified by the statement of its president that the company "never has approved the principle of underwriters' agencies," and that the incorporation was made to conform to the wishes of agents, and because of the company's "own conviction that operation of underwriters' agencies is opposed to the best interests of the business."

We are led to express the hope that the few remaining annexes will also disappear shortly, and thus bring to a close this form of multiple representation, detrimental to companies, agents and public alike.

* * *

Resolved: That the National Association of Insurance Agents reiterates its stand against the further extension of bank and financial institution agency appointments, particularly commending the California Association of Insurance Agents for its efforts in combating the activity of financial institutions in that state, and it pledges itself to continue to stand behind the California association to its utmost ability, so that ultimately right practices will prevail.

* * *

Resolved: That the method of transacting the business of insurance through the American agency system has provided the public with the counsel necessary to enable buyers of insurance to have a proper understanding of the indemnity purchased.

The plan of offering limited insurance contracts as premiums for newspaper or magazine subscriptions, or for any other secondary purpose, cheapens the institution of insurance. When claims arise under such policies, and discovery is made of their very limited coverage, there is created in the public mind the thought that all insurance is to be gauged by such limitation, thereby creating an unfavorable impression of the whole business of insurance.

We therefore earnestly request and urge all companies to discontinue the distribution of these limited contracts, thus withdrawing an instrumentality inimical to insurance and the public interest.

Good Official Lineup

(CONT'D FROM PRECEDING PAGE)

business. In 1915 he became a partner of the Sherr-Morton Company and later bought out the interests of the partners, he conducting the agency now under his own name. He served as president of the Charleston local board for five years and was president of the West Virginia Association of Insurance Agents for two years.

Smith Was Elected Chairman of Committee

Clyde B. Smith of Lansing, Mich., was chosen chairman of the executive committee and thus starts upward to the highest honor in the gift of the association. Mr. Smith is one of the most active men in the west. He is a hard worker, square in his dealing, diplomatic, farseeing and greatly concerned with the upbuilding of insurance. He believes in higher standards and better trained men in the agency field. His training on the executive committee has been most valuable. It is interesting to record that it was through reading a chance copy of THE NATIONAL UNDERWRITER that Mr. Smith got into the insurance business. He was in the railway mail service for 12½ years, running in and out of Chicago part of the time. In Chicago there was a dormitory for the railway men. Someone had left a copy of THE NATIONAL UNDERWRITER in the reading room. Mr. Smith picked it up, read a few things in it and concluded that the insurance business might be interesting.

Smith Starts in Insurance Business

He therefore got a license as agent for the Hanover and Liverpool & London & Globe, writing business at Vicksburg, Mich., where he resided, he carrying on insurance as a part-time agent. He became special agent of the National Fire of Hartford in Michigan and later was state agent, serving that company nine years. In 1919 he bought the Row-Ackerman Company agency at Lansing, and conducts it now under his own name. He served as secretary of the Michigan association for one year and was president for two years. He has just completed two years' service on the National executive committee. He was appointed a member of the special committee that was sent to Chicago during the separation issue between the Western Union and Western Insurance Bureau to try to bring about a settlement of the controversy.

Recommendations Made by Nominating Committee

The nominating committee voted "that in making the nominations consideration be given only to members who represent such companies as in practice and the general conduct of their business conform to the principles of the National association."

The committee in transmitting its report also made the following recommendations:

"It is recommended to the consideration of the incoming executive committee that Virginia be apportioned to some other territorial subdivision as it is no longer governed by the S. E. U. A.

"It is recommended to the incoming administration that about 60 days prior to the next annual convention the state association officers be addressed on the subject of the regional vice-presidents. Each state association president should be reminded of the territorial grouping in which his state is situated; he should be reminded of the other states comprising his group. And he should be impressed with the desirability of giving consideration to the selection of a proper nominee before he or his official representative goes into the session of the convention's nominating committee.

"The regional vice-presidents do or should constitute a most valuable point of contact between the National association and its component state organizations and it is with no disparagement

(CONTINUED ON PAGE 53)

Aviation Insurance Seen As Paying Line

By HORATIO BARBER

Barber & Baldwin, New York

THE first aviation policy was issued in 1912 and covered passenger liability. I was both the assured and the underwriting agent. I applied for a policy to cover the operations of my fleet of five aircraft. The insurers requested me to write my own contract since they knew nothing of aviation and the only condition they made was that I should try to be impartial and fair to both sides. That gave me the finest and broadest lesson in underwriting any man could have, and it put me on the right track.

Since then I have underwritten aviation risks situated in every part of the world, and my difficult and varied experiences have given me, I think, the point of view of the aircraft operators, the insurers, the insurance agents and the underwriter responsible for coordinating and satisfying their different requirements.

Aircraft Operator Thinks Rates Too High

The point of view of the aircraft operator has the merit of being exceedingly clear and simple. I do not think I can say more than that in compliment to it. It can be expressed in five words: The rates are too high!

My loss ratio over a long period tells me that the rates are not too high; but at the same time I agree that means should be taken to reduce them. I have held always that opinion, and the largest part of my work has been to bring rates down. Seven years ago there were some seven leading insurance companies supplying aviation insurances and they were doing it in the way customary in various other lines of insurance, by holding covered on binder, often fixing rates and negotiating special policy conditions after holding covered, giving up to 60 days' credit and taking over the counter risks meeting certain standards set up by a bureau supported by all the companies.

Companies Ready to Discontinue Line

They had lost a lot of money and were getting ready to quit, and it was clear that unless drastic underwriting action were taken, commercial aviation would very soon be without the insurance protection essential to its development.

In order to prevent such a situation's arising, I arranged with certain insurance companies to issue their policies through my underwriting office, and my first step was to cut the rates by what amounted, on an average over all lines, to about 25 percent.

It is one thing to acquire business and another to avoid loss. I made it pay and have continued to make it pay; and I have managed to get the rates down still farther, so that at the beginning of this year they were, on the average, some 40 percent less than at the beginning of 1922.

You will be interested, I think, to hear how I accomplished that first cut of 25 percent and at the same time prevented loss. It was quite simple. I issued no binder until conditions and rates were agreed. I did a cash business. I protected the insurers against short-period concentrated risks under long-period policies subject to early cancellation, by stipulating an adequate minimum premium. It may occur to you that point might be well met by the operation of the standard short-rate table, but I have found the short-rate table will not always work satisfactorily where very short-period concentrated aviation risks are concerned.

I wrote every risk facultatively, rating it on its merits; and I employed considerable severity of selection, refusing

unreasonable risks, but going out of my way to meet the requirements of sound, well-intentioned applicants for insurance.

Lastly, I operated under a system of technical inspection carried out by well-qualified men situated at various points throughout the country, each man acting under my direct supervision and not working under a set of standard rules.

By persisting in those methods, I have been enabled to secure a steady decrease in rates and, at the same time, to produce results sufficiently satisfactory to enable the building up of all-American reinsurance facilities to meet the enormous catastrophe hazards involved.

I think you will agree that they are enormous when I inform you that I have covered at this time under current policies various aircraft which, while they are worth no more than \$50,000 each, are covered in various lines with an aggregate liability of over \$1,000,000 per aircraft.

Arising out of that, I think you will be interested to hear that at the beginning of this year, while the total premium income available from all sources was no more than a comparatively small fraction of that liability per aircraft, it was then, and is now, possible to secure, in respect to various aircraft, insurance including collision, fire, theft, public and passenger liability and property damage at lower rates than in the case of various automobile risks.

As an illustration: The total cost of those coverages on a \$3,000 aircraft of good type, plying for hire in the middle-west and driven by a pilot of normal qualifications, would amount to about \$1,410 for one year; whereas the cost of those coverages on an automobile of the same value, used for similar purposes in, say, New York, and operated by a man or firm of satisfactory status, would be about \$1,668.

Rates Seem Not High When Hazards Are Considered

I do not think, then, that aviation rates are particularly high for the coverages they represent, although I do appreciate that every effort should be made to reduce them. Lower rates will result in the quicker and more economical development of commercial aviation and will result in larger volume and better spread for the insurers.

I would stress the fact that, subject to sound and economical underwriting,

the rates are made by the air operators themselves, since they depend on the degree of hazard in their operations which are under their control and are not controlled by the insurers. I will mention, as an illustration, the fire hazard. There are altogether too many fires and that hazard has been steadily increasing during the past two years. The fire rates seem high and I fear that they are going to be a good deal higher unless something is done about it. I am of the opinion that they could be reduced materially if general effect were given to Circular No. 592, published by the chief of the air corps, Washington, D. C., entitled, "Aircraft Fire Prevention."

Unusually High Values Involved in Flying

The position of the insurers is fraught with an unusual number of difficulties: First, the preparation of the policy forms which must cover a great many lines, each one presenting problems and peculiarities unknown in other forms of insurance. Those lines include various forms of fire coverage, collision, constructive total loss, tornado and theft up to a limit at this moment of \$77,000 per aircraft; cargo, at this moment, up to \$25,000 per consignment; cargo liability up to \$250,000 per aircraft; public liability up to \$100,000 per aircraft; passenger liability up to \$500,000 per aircraft; property damage up to \$200,000 per aircraft; damage to ground property up to \$1,000,000 per location; personal accident up to \$300,000 any one person; airport and airmeet liability up to \$250,000 any one airport or meeting; not to speak of compensation and various contingent liability risks arising constantly. The demand for higher limits of indemnity is growing and must be met if satisfactory service is to be rendered.

The second difficulty is presented by extremely rapid changes in the nature of the hazards arising from the rapid development in aviation, new types of aircraft and engines, changes in the quality of flying by the thousands of new and differently trained pilots, new uses for aircraft and various other underwriting factors. That situation results in a policy form standardized today being out of date tomorrow. That necessitates lengthy endorsements amending almost every policy to meet requirements. That, in turn, demands

the constant and heavy work of experienced underwriters properly qualified to construct, at a moment's notice, amendments of the standard forms.

The third difficulty is that of satisfying agents accustomed to standardized, non-facultative business, holding covered on binder, long credit, and so forth.

The fourth difficulty and expense are those of providing well-qualified head office correspondents capable of adequately informing agents by mail in respect to the many points they raise and capable of helping them to render that intelligent service and cooperation to applicants for insurance without which the position of the agent is impossible.

The fifth difficulty is in arranging for technical field inspections of pilots, aircraft, maintenance and operational managements, without which it is impossible to do the business at rates which the aircraft operators will pay.

Despite those difficulties, all the aviation insurances demanded are available, prompt service to agents and the public is being rendered and rates are decreasing.

Many Agents Hold Aviation Cover Nuisance

The point of view of the agent, or, at any rate, a great many agents I have come in contact with, is that aviation insurance is a side line, a nuisance, and a line which cannot be handled satisfactorily because of its highly facultative nature and also because of the agency conditions which experienced insurers find necessary; those conditions being no holding covered on binder, submission of the risks in precise and thorough form, agreement of rates and conditions before binding, and so forth.

The agent often finds himself in difficulty owing to ignorance of aviation and the requirements of air operators and the difficulty, as he sees it at first sight, of acquiring sufficient aeronautical knowledge and knowledge of facultative aviation insurance methods to render that useful service without which he cannot expect to accomplish anything. As if that were not enough, he finds, or thinks he finds, that the business is spread so thinly over this vast continent that there is not sufficient of it concentrated within any one locality to butter his bread.

That is the black side of the agency picture. My principal object is to show the bright side, found already by a certain number of agents. First, they scrapped the terms "side-line" and "nuisance" and found that, while the business is spread very thinly over the country, it has a way of thickening here and there almost overnight and providing a rich field for endeavor. They made a real study of the forms of coverage and underwriting methods, corresponding with the underwriter on points not clear and even, in some cases, traveling thousands of miles to discuss with him thoroughly the operation of the business.

At the same time they read a few elementary books on aviation, and the aviation magazines, got the aero language into their heads and then visited the local flying fields and acquired the aviation atmosphere and requirements by personal contact with air operators, pilots and others.

While the amount of business is so far comparatively small and not large enough yet to support safely various technical inspectional services and a number of underwriting organizations, it is increasing very satisfactorily. Those agents who have taken the action I have told you about are reaping already a satisfactory reward. Others starting now should, in the face of the increased rate of development, find the task easy.



CHARLES W. VARNEY, Rochester, N. H.
President New Hampshire Association



CLARENCE C. WYSONG, Indianapolis
Indiana Insurance Commissioner

Reward Offered Casualty Surety Men

By E. A. ST. JOHN
President, National Surety

WE all are faced with the necessity for increased earnings. Insurance companies are no different from insurance agents in this regard. As I view it, there is not much opportunity for increasing the total volume of the fire insurance business of an average agency. Generally speaking there is a definite limit on the amount of fire and tornado business available in local agency territory, for the insurable property is generally fully insured. The same thing is true with workmen's compensation, which from the company viewpoint is not desirable anyway. It is largely purchased only when required by law, and the total amount of available business is more or less a fixed quantity, so that the agency organization of America as a whole has very little opportunity to add to its total income by advocating additional attention to compensation lines.

A different situation, however, exists in the fidelity and surety business. In

pensions, however, in the thought that whatever has been done by agents and brokers in New York can be done by the wide-awake and energetic agents throughout the rest of the country. They have exactly the same opportunity facing them today.

Additional Reward for Agents Promised

In mentioning a "\$25,000,000 Reward" to you, I am not thinking of the commissions that have already been paid to you on the business you have written, and which will be paid to you, year after year, as the business is renewed, but I am asking you to look at an additional \$25,000,000 that will be paid to you if you care to go after it. That is to be your reward for increased efforts.

We talk about the development of our business in general terms, but without realizing what specific measures are necessary to bring it about. Of course it is unnecessary for me to tell you that the first essential in business development is to know the business. That is fundamental and need not be discussed here.

Increase Not So Large in Last Few Years

Every agent has an unlimited field for the development of surety and fidelity business among his own customers. During the period from 1915 to 1925 the total volume of fidelity and surety business done by all companies multiplied nearly five times. During the past three or four years, for one cause or another, but without any real good reason, the total volume has not shown this continuing increase.

It seems to me now to be the proper time for the agents of this country to consider definite and specific ways and means of once more doubling this earning power from surety and fidelity premiums in America. You will not deny the fact that many agents here, by devoting themselves as consistently and as personally to the work as have the brokers and agents of New York for some years, can double the amount of surety and fidelity business of their own agencies in any one year. If all the agents in your association would decide on a definite program of development in these lines for the next three to five years, I feel safe in predicting that before the five years had passed the agency force of this country would add not \$25,000,000 to this commission income, but an extra \$50,000,000 to that income.

In concentrating on a development such as this, you may ask what method should be used and how premiums may be doubled. The August issue of the "Casualty Insurer" says that constructive agents are much less numerous than the other sort, adding:

"In any moderate sized town practically every agent can state where every line in the town is carried. He knows where the insurance is placed. How many of them, however, know how many unwritten lines there are or where they may be found?"

There is your answer in one paragraph.

Originating Business Hard Part of Agent's Work

Almost any agent can renew business initiated by someone else. It does not take a great deal of intelligence to follow the lead of someone else. It does take intelligence and constructive effort to develop new lines and sell new coverages to customers, and to make two

blades of grass grow where only one grew before. The agent who will double his income from his surety and fidelity business during the next two years is the agent who concentrates on the unwritten lines. He it is who must figure out for himself what they are, where they are, where they can be found and how to build up the development within his own territory. If I could give you a complete recipe for success in your business, I would give it in this one sentence: Concentrate on the unwritten lines.

Included in the category of unwritten lines is, of course, the under-insurance of so many existing fidelity schedules and the many lines now non-existent, that through the right effort will become existent. During the past few years many changes and improvements have been made in the writing of fidelity insurance.

Assured's Present Needs May Differ from Old

You should scrutinize the needs of every customer on your books, studying his business today as compared with his requirements when his insurance was first written. As the insurance advisor of your clients, it is not only your privilege, but your duty to make this examination and analysis. As a matter of fact, your client will be at once impressed with your interest in his affairs and your ability to prescribe for his insurance needs. Bear in mind that while the circumstances of the entire world have changed during the past 10 years, with many more demands upon the pocketbook of every worker, with the value of the dollar shrunken immeasurably in many instances, the fidelity insurance of many of your own customers is carried today in precisely the same amount at which it was written 10 years ago.

The alert agent must be able to visualize the extreme possibilities of loss. He must be able to see the great danger to the business itself if not adequately protected by insurance against embezzlement, burglary, holdup and all of the alarming hazards of present day industrial and social conditions.

Alert Agent Must Build Selling Agency

The alert agent must build up a selling agency which will go out and "sell the idea" to hundreds and thousands of new prospects, rather than be content to renew existing policies and pick up a new client only occasionally.

The alert agent will not be content with a few newspaper advertisements, a few circular letters and casual personal contacts. He will not depend on these to bring business to his office. After studying the conditions in his own territory he will make a strong drive for the new business that he will find everywhere available. Agencies in larger cities where such organization will be justified will find it to their interests to build up a selling force of personal salesmen to create new business; in other words, to offer additional facilities to their clientele.

Exclusive Franchise Called Priceless Asset

The alert agent recognizes full well that if he enjoys an exclusive agency franchise from one of the larger companies he is possessed of a priceless asset, for in the insurance business as in no other line of trade, the company at its own expense furnishes the agent, who is the retail dealer, with an entire

stock of goods complete in every detail and ready to be sold to his customers. The number of new lines initiated by the surety companies over the past few years has materially increased the size of this stock of goods. Only by the heartiest cooperation between agents and companies can this stock be retailed to the best advantage.

Agents must study their business more closely. They must interest themselves in the new lines and the new forms of coverages suggested and written by their companies. They must understand these new forms so perfectly that they can sell the ideas to their customers just as soon as the new forms are available. The pride of every shoe dealer in every small town is to display new styles of footwear just as soon as they are put on display in the show windows of the New York stores. The pride of the insurance agent should prompt him so to study his own business that whenever a new idea is developed

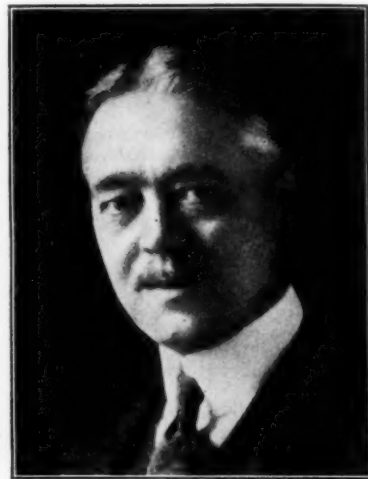


CHARLES L. GANDY, Birmingham
President Alabama Association

spite of the fact that you wrote a total close to \$100,000,000 in surety and fidelity premiums last year, there is a most notorious condition of under-insurance existent in every part of the country.

Results of New York Survey Are Startling

Let me tell you what happened about a dozen years ago in New York City. A survey was made of all corporations within the New York area with a capital of \$50,000,000 or more. It was discovered when the survey was completed that less than 6 percent of the firms and corporations approached carried any fidelity insurance whatever. Most of those who had fidelity insurance were woefully under-insured. They were carrying their insurance in amounts that had not been changed in many instances in years. It was at once apparent that the brokers and agents developing New York business had been neglectful of their opportunities. This condition of affairs was communicated to the producers, and they concentrated their efforts on this unwritten business to such an extent that within ten years from the time of the survey the surety and fidelity premiums of New York were almost one-third of the total surety and fidelity business done in the entire country. What a demonstration of efficiency on the part of the New York producers. But, at the same time, what a sad commentary upon the agency force of the rest of the country. It has its com-



EDWARD A. ST. JOHN, New York
President National Surety

by the company at its home office he will offer it to his own customers with full knowledge of its possibilities just as early as any other agent or broker in the country could supply it. Many a local agent in my own experience has lost valuable business to other agents or to brokers because the agent himself did not keep up with improvements in coverage.

Indiana Agents Were the Official Hosts

The Indiana Association of Insurance Agents constituted the official host for the convention. W. H. Bruner of South Bend was president; Atwood Jenkins of Richmond, vice-president; J. A. Searles, Marion, secretary; D. J. O'Keeffe of Ft. Wayne, chairman executive committee. There was a general convention committee with Ross Coffin of Indianapolis as chairman. Joseph W. Stickney of Indianapolis was entertainment chairman, Barrett M. Woodsmall of Indianapolis, publicity chairman, and Herbert L. Barr of Indianapolis, finance and golf chairman. On the general convention committee with Mr. Coffin as chairman were H. L. Barr, Indianapolis; W. H. Bruner, South Bend; A. D. Merrill, Terre Haute; D. J. O'Keeffe, Ft. Wayne; J. A. Searles, Marion; J. W. Stickney, Indianapolis; E. M. Woodsmall, Indianapolis, and Chris Zoercher, Tell City. The registration committee consisted of A. D. Merrill of Terre Haute and Chris Zoercher of Tell City.

President Combines Two Good Reports

Association Year Closed at Convention Is Characterized as Fullest, Most Progressive, in Organization's History

By W. EUGENE HARRINGTON

Atlanta, Ga.

IN presenting a report of association activity, your administration, this year departing from the custom of presenting the annual addresses of the executive officers separately, is offering a joint report, calculated to bring before you the work as a whole. The necessary confines of this report of stewardship will permit the inclusion of only some evidence from which to draw a conclusion—but enough to satisfy.

Since its organization in 1896 the National Association of Insurance Agents has devoted the major part of its time, effort and money to the establishment of just principles between companies and agents for the greater good of insurance in its function of a public servant. This is the only true reason the business has for existence. Any other is but incidental. Never have the organized agents regretted following this policy. Long since it brought their National association national recognition as a stabilizing influence in insurance. Both companies and agents must earn a profit, but the minute either group subserves service and principle to profit, neither is discharging its obligations one to the other or to the institution of insurance.

Allegiance Should Be According to Deserts

It is fitting that our gratitude and allegiance should flow to the companies that are with us in our efforts for the advancement of proper principles and practices. Lest we forget, at Milwaukee in 1924 we said that "the members of the National Association of Insurance Agents owe their allegiance to those companies whose loyalty to our principles for the preservation of the American agency system is unquestioned." To this end we urge upon our members the habit of favoring with their premiums those companies which aid the National association in maintaining its present position of eminence.

Our members demand of their association protection of their rights and interests. It is only by vigorous enforcement of our association principles that we can remove from their path vexations that try their patience and conditions that chill ambition.

Incompetent Agents Baneful to Business

What a sad commentary upon a great business is the presence within it of a horde of incompetent agents. Men who are not and never can be fit to perform the duties of insurance agents are appointed on terms of equality with our members, the only requirement seemingly being control of some wee premium. This system of many agents of an insurance company operating in the same territory relieves them all of any substantial loyalty to it, denies the sufficiency of each, destroys their authority to represent the company, and renders responsibility to it impossible. Hardly could a system be imagined more subversive of the interests of the public, the company, and true agents, than this multiple plan.

It may as well be admitted that of late years the relations between companies and agents have not been ideal countrywide, and that neither the one side nor the other is entirely innocent. So far as the agents are concerned, it is our duty to remedy matters by re-establishing, to the extent that we can, the old spirit of agency-company loyalty that formerly existed.

If we look back we realize that the strong bond between agents and com-

panies was not this multiple agency method of company representation. At this time there can be no division of opinion on the way by which the old-time loyalty may be restored. The condition that will once more give an agent pride in his company, a sense of honor, make him jealous of its representation, provide a definite responsibility, guard its interests carefully, and furnish it with a satisfactory volume of well chosen business, is a return to the honored and respected sole agency method of company representation.

To improve the quality of the service rendered by the members and to raise the standards of the business has been a constant aim of the National association. It mattered not whether a man came in a qualified or an embryo agent, so long as he had the sincere desire to make of himself a qualified agent. This had to be our aim if the National association was to continue its existence as a successful trade association.

Herbert Hoover Speaks on Business Advances

The former Secretary of Commerce, now a candidate for the presidency of the United States, in his acceptance speech last month gave it as his opinion that "the whole practice and ethics of business has made great strides of improvement in the last quarter of a century, largely due to the effort of business and the professions themselves. One of the most helpful signs of recent years is the stronger growth of associations of workers, farmers, business men and professional men, with a desire to cure their own abuses and a purpose to serve public interest."

The "stronger growth" of the National association—our trade association—"is the most helpful sign of recent years" of the improved "practice and ethics" of the insurance business.

It is, unfortunately, a fact, the result of human failing, that many men and women bring to business life somewhat distorted, academic ideas and conceptions, with the result that they fail to adjust themselves quickly enough to the new order. So also those trained in one business cycle pass to the next, experiencing difficulties because of failure to keep pace with the changing requirements of shifting economic demands. It may be, and we venture to say that it is too much to expect of each individual, that unaided he shall keep abreast of developments in his field. To bridge this gap the trade association steps forward, tools in hand.

Association Agents' Bridge Builder

For insurance agents the National association is the bridge builder. The fundamentals of its work remain substantially the same; we cannot depart from them. But the time is now at hand when our trade association may aspire to something more. It has the experience that enables it to think of greater projects; now it can plan a lasting monument to be constructed patiently by the joint efforts of all.

The ability to plan for such a project coincides with an economic necessity. Insurance agents seem more likely to be affected by present-day disturbances in business than any other class. Almost daily some parasitical scheme is hatched to feed on the premiums of agents. Com-

petition is keen; the fittest will survive it; the unfit will succumb. Yet the fit must continue their fitness; if they lag they are done. They must help themselves but they look to the National association for help, as they have for 32 years.

Our organization found that its officers were making such tremendous sacrifices of time and self that they could not both initiate and complete in a short term of office the many important association tasks that must be done. Once again, therefore, the proverb of necessity's being the mother of invention was proven when our five-year development program was brought forth.

Development Program Has Definite Aims

This plan is described in a separate booklet and requires no detailed comment in this report. The program has certain definite aims in view; attainment under it of the first year's objectives forecasts the final success of the entire project, provided the members, local boards and state associations continue to give the splendid cooperation they showed during the year just closed.

One important purpose of this program is the theme of this convention, "Business Development." One of the first steps in proper business development is that our members know what it is costing them to do business. To assist in obtaining this information and to give the members a monthly picture of the financial condition of their agencies, our better business methods committee recommends the adoption of some good agency accounting system. The committee itself has devised a model plan, which is being distributed to members only. It has also prepared an analysis of expense averages compiled from questionnaires submitted by member agencies of the National association. For the present this analysis will serve as a guide to agency costs.

There are other things that we propose for every member. We want to see and help him become the best qualified agent he can be made. We want to bring him opportunities to sell more insurance. That is the reason why we have developed business building aids. They help him win his clients' good-will and intrench himself so strongly in their favor that they will never think of insurance without thinking of him. The business builders thus far brought forth are the standard automobile identification certificate, the policy sticker, a program of publicity and advertising, proper and continuous use of the emblem cut, "The Sign of Good Insurance," and educational and stimulating material in the "American Agency Bulletin." Just as soon as we can get to them additional production helps will be developed by the association itself and the better business methods committee. Naturally they are for members only; they constitute a policy for which the premium of membership must be paid.

Important Result of Program Is Seen

An important result of our five-year program is already discernible; it is a gradual rapprochement of companies and agents. Whether this is due primarily to the program or to natural development, it is not possible to say. We incline to the belief that our campaign

has served largely to hasten this attitude on the part of companies, which can entertain no doubts of the sincerity of organized agents to give their best thought and effort to a wider distribution of indemnity through qualified agents.

Public relations is a theme with which almost every industry and business is conjuring. To no branch is a proper relationship with the public more important than insurance. Long since the National association realized this, and it started a well-defined program of public relations back in 1925. We cannot now set out in detail the work of our committee on public relations and education. The point here is that the organized agents have recognized their duty to insurance, viewed in the larger sense of the good of the business as a whole. It must not be forgotten that the production of more business is a constructive work that at once develops more premiums to the benefit of all insurance and helps the public by providing better protection. Public relations and business development, therefore, are the more intensive association activities that make for insurance and public good, while serving to aid the members in meeting the new competition.

Non-Policy-Writing Agents Present Big Problem

Events of the year have brought to the fore the question of branch offices and non-policy-writing agents. These two matters have become inseparably linked, but they are bound to something other than one another—the possibility of harm to the policy-writing agent. In this brief report we could not completely review the matter, even if it were necessary.

Few questions have ever received more extended consideration at the hands of the National association; none offered greater difficulties in drafting a statement of policy or position. But that difficult task was accomplished during our mid-year meeting last spring. Your executive committee made the statement which was endorsed by the meeting of the state officers, the resolutions committee and the entire convention in the form of a resolution. Briefly it opposes vigorously anything that endangers the business of the policy-writing agent; non-policy-writing agents; further extension of the producing branch office as distinguished from the service office, for the reasons that the production branch office will lead to higher costs of doing business and poor service to the public and has caused the appointment of non-policy-writing agents who render no service of value to the business or the public; appointment of any class of producers except the policy-writing agent and the duly licensed solicitor or broker.

One phase of this question is actively before us today. It deals with brokerage by our members at agency commissions. It may properly be asked why the agent is concerned with the expense of the business and why he should not be attracted by the offer of commissions which mean a great immediate profit to him. Our answer is that our members have to justify the expense of the business to the public and are more concerned with permanent economic stability than any immediate gain.

This answer is in accord with the policy of the National association in its dealings with companies. We have consistently requested that greater consideration be given to the economic stabil-

ity of the business than to temporary personal advantages. The advantage gained by companies through bank agency and other appointments outside the legitimate agency field, does not promote economic stability. We hope that this position will receive the universal recognition by companies to which it is entitled.

The Memphis resolution may not be a final solution of the question of branch offices and non-policy-writing agents, nor, perhaps, should it be regarded in this light. But it provides a basis for judgment of what is or is not viewed as inimical to the continued welfare of the policy-writing agent. It will serve to define the attitude that may be taken by the National association toward any development of branch offices and the appointment of non-policy-writing agents. Recognition of the National association's position has passed the stage of mere visibility on the horizon. This confirms once again the wisdom of the test which we apply to any insurance practice. That test, by which our position must stand or fall, is contained in the question, "Does it serve the public interest?"

One company organization has taken the position that the non-policy-writing agent is entitled to less compensation than the policy-writing agent. Opinion is, of course, divided on the difference that should exist in the compensation of the two. As to those non-policy-writing agents now in existence the National association has declared itself in favor of a differential that will permit the policy-writing agent to pay his solicitors and brokers an equal commission with a fair margin of profit above operating costs. We cannot see how any fair consideration of this question can arrive at any other conclusion.

The same declaration that the recording agent earns and should receive more than the non-policy-writer has been made by a state attorney-general. He held that the writing agent does work

(CONTINUED ON PAGE 50)

Rigid Standards Control in Business of Fire Insurance

By O. M. SPAID

D. Sherman Ellison Co., South Bend, Ind.

FIRE insurance reaches deeper into our communal and economic life than any other line of insurance. This fact alone indicates the importance that should be attached to the proper education of the insuring public on the methods and practices of fire insurance companies.

The American people have as a pronounced characteristic the love of fair play. It is my belief that if the insuring public were acquainted with the scientific and equitable method of establishing insurance rates this spirit of fairness would respond in more confidence and satisfaction.

Producers Must Explain Business

We who are engaged in the agency or producing phase of the business are often called upon to explain to a disgruntled and suspicious client, that his insurance rate is due entirely to the physical condition of his premises and that no personal, political or financial factors have any bearing. In view of the fact that we do occupy the most opportune position in the insurance fraternity for public education on insurance matters, we should endeavor so to acquaint ourselves with the history of the business that when we are again confronted with the insinuation of graft and discrimination we can come back with a true and intelligent explanation.

Probably the majority of those here today are from states that are fortunate enough to be using the analytic system for the measurement of the relative fire hazard. To those from territories using

other methods for determining fire insurance rates, my explanation may be of interest or possibly of some future benefit.

How many times I have heard agents



O. M. SPAID, South Bend, Ind.

criticise the rating bureaus and make specific reference to some particular risk. Supposing the inspector was a young fellow—supposing he did publish a rate of \$3—he didn't make the rates, he merely measured the risk with the scale

or standard that was given him. Under the analytic system the assured makes his own rate, and has only himself or his neighbors to blame if his rate is high.

We hear with increasing frequency that the American agency system is doomed. The system is doomed unless we as agents recognize the importance of our relations with the insuring public. Every time you permit a client to feel he has been mistreated by the companies in any way that man goes either to the mutual market for his insurance or to the insurance broker.

We sympathize with the small merchant in his battle with the chain stores but I don't believe there would be any chain stores today if the small merchants had cooperated in their buying and been efficient in their merchandising.

In the same way, if it ever comes to pass that the stock fire companies, through the pressure of competition, find it necessary to seek other methods of acquisition, we have principally ourselves to blame for not appreciating our position as representatives of the companies and for not defending their methods and practices. This knowledge of the insurance business is just as important as the details of policy writing.

I would like to express my sincere admiration for the two men who are responsible for the conception and development of the analytic system—A. F. Dean and J. V. Parker. Their contribution to the insurance profession has placed it in a position that is yet to be equalled by any other activity in our commercial and industrial life. We as insurance agents owe them and their colleagues a debt of appreciation.

Committee Chairmen

D. J. O'Keeffe of Fort Wayne, Ind., was appointed chairman of the committee on resolutions and Henry G. McMillan of Knoxville, Tenn., chairman of the committee on nominations.

APPLETON & COX, Inc., ATTORNEY

1 SOUTH WILLIAM STREET

NEW YORK

MARINE AND INLAND INSURANCE

REPRESENTING

United States Merchants & Shippers Insurance Co.
Indemnity Mutual Marine Assurance Company, Ltd.
Royal Exchange Assurance
Tokio Marine and Fire Insurance Company, Ltd.
United States Fire Insurance Company
Western Assurance Company

Fire Association of Philadelphia
Milwaukee Mechanics' Insurance Company
London and Scottish Assurance Corporation, Ltd.
North River Insurance Company
Agricultural Insurance Company
Westchester Fire Insurance Company

AGGREGATE ADMITTED ASSETS OVER \$148,000,000

BRANCH OFFICES AND GENERAL AGENTS

Atlanta, Georgia,
Appleton & Cox, Inc.,
Hurt Building.

Chicago, Illinois,
Appleton & Cox, Inc.,
Insurance Exchange Building.

San Francisco, California,
Pacific Marine Insurance Agency, Inc.
330 California Street.

Dallas, Texas,
Frank Rimmer, General Agent,
Kirby Building.

New Orleans, Louisiana,
Geo. S. Kausler, Ltd., General Agents,
Hibernia Bank Bldg.

LOSSES SETTLED PROMPTLY IN ALL PRINCIPAL CITIES OF THE WORLD



"AMERICA FORE"

Business Building

Imagination in business. Vision. Foresight. Call it what you will, it is that progressive quality so necessary to successful enterprise and without which business may falter and fail.

There is a need at all times for imagination in the insurance business. Constant constructive building in all its departments is necessary. Problems local and national call for concerted effort to overcome obstacles detrimental to healthy growth.

The separate companies of the "America Fore" Group, reiterating their allegiance to the American Agency System, commend the progressive spirit which caused the theme of the Annual Convention of Local Insurance Agents to be "Business Building."



"AMERICA FORE"



"AMERICA FORE"

AMERICAN EAGLE FIDELITY-PHENIX
The CONTINENTAL FIRST AMERICAN
FIRE INSURANCE COMPANIES
Eighty Maiden Lane, New York, N.Y.

ERNEST STURM, Chairman of the Boards

PAUL L. HAID, President

NEW YORK
CHICAGO

SAN FRANCISCO

DALLAS
MONTREAL



Compensation Rate Program Analyzed

Reasons for Stock Companies' Revising Methods of Arriving at Charges for Coverage Are Presented Clearly and in Detail

By **H. P. STELLWAGEN**
National Bureau, Casualty, Surety Underwriters

THE new workmen's compensation rating program is the most significant reform in rating methods which has been instituted in recent years. The program is made up of four important elements—reapportionment of losses in accordance with the experience indications of small and large risks; reapportionment of expenses with due regard to the minimum cost of writing and servicing the small risk; establishment of an adequate minimum premium formula with special protective minimum premiums for certain classifications; amendment of the experience rating plan so as to give greater and more prompt recognition to the most recent experience of individual risks.

Investigation of the loss ratio by size of risk in several states has produced abundant evidence of the fact that loss ratio varies inversely with size of risk. From the loss standpoint, rates have been most inadequate on the smallest risks. This inadequacy continues to apply, though with lessening degree, to risks as they increase in size up to the point where they involve annual premiums of \$300 or \$400. From that point upward the loss ratio becomes favorable and continues to improve as risks grow larger.

In all states where there is a measurable difference in the loss ratio between small and large risks the stock companies propose to rectify the adverse loss ratio of small risks by the application of a flat premium charge

(called a loss constant) to all policies not subject to experience rating and to recognize the favorable loss ratio of large risks by reducing the manual rates in like proportion as they are increased through the application of the loss constant. The size of the loss constant to be added to the premium of non-experience rated risks is dependent on the extent of the deficiency of the existing premiums for those risks. Where the premium deficiency on small risks has been greatest, the loss constant will be highest.

Use of a loss constant with a concurrent rate reduction is a happy solution to the problem. On the smallest risks where the experience is worst, premium relief is most pronounced. As risks increase in size and the experience grows better, the effect of the constant decreases because of the increasing size of the manual premium and the opposing effect of the adjusted rate level.

Loss constants are now being successfully applied in New York state, where the facts justified the use of three distinct loss constants—one for contracting risks, another for manufacturing risks, and a third for all remaining classifications.

The second element of the new program is concerned with the expense portion of the rate and is designed to

eliminate the inequity in the former system of assessing all risks a uniform percentage of the premium for expenses.



H. P. STELLWAGEN, New York City
Secretary National Bureau of Casualty & Surety Underwriters

Consider but two items in the expense loading, the percentages for home office administration and audit, and their effect on premiums of different sizes. The total allowance for these two items combined is 9.5 percent of the premium dollar. Thus, on a \$20 premium there is available \$1.90 for the cost of home office administration and audit, and on a \$2,000 premium there is available \$190 for those services.

Certain operations must be performed in connection with all risks, no matter what their size. An application must be submitted and reviewed by the underwriter. A policy must be written and checked. Statistical and accounting records must be established. Finally, the risk must be audited in order that a proper earned premium may be established. By an elaborate cost analysis, stock companies have established the minimum cost of the home office administration and auditing expense on the smallest risk. By proper allocation of salaries and expenses to the number of policies written, it has been determined that \$5 represents the minimum cost of home office administrative service in the writing of the policy.

How Payroll Audit Cost Is Determined

In establishing the minimum cost of payroll audit, it was assumed that 75 percent of the total audit expense of the companies was directly proportionate to

(CONTINUED ON PAGE 55)

PUBLIC FIRE INSURANCE COMPANY

31 Clinton Street - - - Newark, N. J.

CAPITAL, PAID IN \$1,000,000
SURPLUS, PAID IN \$4,000,000

Strength Commands Confidence

OFFICERS

ARTHUR T. VANDERBILT
Chairman of the Board

J. T. DARGAN, JR.
President

FRED A. RYE
Vice President

D. N. IVERSON
Vice President

ULRIC S. ATKINSON
Secretary

H. W. ALLEN
Secretary, Automobile Department

PAUL J. KENNEDY
Secretary, Brokerage Department

W. J. THROCKMORTON
Manager, Marine Department

THE Louisville Board of Fire Underwriters takes this occasion and uses this medium to extend its sincere greetings and best wishes to local agents all over the country who are loyal and true to the American Agency System.

The Louisville Board has steadfastly and enthusiastically supported the National Association of Insurance Agents, its platform, its principles and its effort to advance the interest of local representatives and bring about harmony on all sides.

The Louisville Board is an advocate of organized local agents. It believes in local boards. It believes in the insurance business. It believes in the insurance companies that in season and out stand for the highest ethics of the business. The Louisville Board can be counted on, on every occasion to be in the forefront of those desiring to see the benefits of sound insurance extended.

A Real Fleet



The CORROON & REYNOLDS' FLEET

AMERICAN EQUITABLE ASSURANCE CO., OF NEW YORK			
March 31, 1928, Statement			
ASSETS	LIABILITIES	CAPITAL	SURPLUS TO POLICYHOLDERS
\$7,883,553.34	\$3,345,809.41	\$2,000,000.00	\$4,537,743.93
BRONX FIRE INSURANCE COMPANY OF THE CITY OF NEW YORK			
July 7, 1928 Statement			
\$4,278,800.00	\$1,278,800.00	\$1,000,000.00	\$2,500,000.00
BROOKLYN FIRE INSURANCE CO.			
March 31, 1928, Statement			
\$4,762,920.03	\$2,262,920.03	\$1,000,000.00	\$2,500,000.00
KNICKERBOCKER INSURANCE CO., OF NEW YORK			
December 31, 1927, Statement			
\$3,708,426.08	\$1,695,350.83	\$1,000,000.00	\$2,013,075.25
MERCHANTS AND MANUFACTURERS FIRE INSURANCE CO. OF NEWARK, N. J.			
CHARTERED 1924			
March 31, 1928, Statement			
\$4,726,524.78	\$2,226,524.78	\$1,000,000.00	\$2,500,000.00
NEW YORK FIRE INSURANCE CO.			
(INCORPORATED 1811)			
March 31, 1928, Statement			
\$2,188,244.11	\$429,267.16	\$1,000,000.00	\$1,758,976.95
REPUBLIC FIRE INSURANCE COMPANY			
PITTSBURGH, PA.			
(INCORPORATED 1871)			
March 31, 1928, Statement			
\$2,489,293.27	\$963,897.61	\$610,000.00	\$1,525,395.66
SYLVANIA INSURANCE COMPANY OF PHILADELPHIA, PA.			
March 31, 1928, Statement			
\$1,788,572.60	\$1,788,572.60	\$1,500,000.00	\$3,000,000.70





stands back of you

CORROON & REYNOLDS, INC.

Manager

92 William St.

New York City

CLASSES WRITTEN

Fire, Automobile, Explosion, Riot, Civil Commotion, Tornado and Windstorm, Sprinkler
Leakage, Use and Occupancy, Profits, Leasehold and General Merchandise Floaters

SOUND — PROGRESSIVE — EQUITABLE

These Are Our Keynotes

We welcome and invite this class of agency representation.

Need for Insurance Education Seen

By **GLENN GRISWOLD**
Editor Chicago "Journal of Commerce"

THE insurance business today stands in greater need of a better public policy than any business I know—not only because of factors whose reactions are common to all business, but also because of conditions that are peculiar to this business and which will be seriously aggravated during the next few years.

The public attitude toward capital, toward corporations, and toward business generally, moves in rather definite cycles. It seems to me that about two years ago we were at the flood tide of favorable relations between business and the public.

Trend Changes After Two Years

In the last two years the trend has been rather steadily, although not rapidly, in the opposite direction. Already enough enlightened effort has been made by business so that we may feel confident that the ebb tide of sentiment will not carry us quite so far in the wake of demagogues and corporation baiters as we have gone in the past. But we probably shall go a long way, and the days and the distance of our journeying will be determined by the degree of common sense which business uses, first in making and keeping itself decent, and second in proving its decency to the public.

Although public sentiment in its attitude toward business does seem to move in cycles, the demagogue and the agitator are always with us, whether they are riding hell bent at the head of a destructive mob or haranguing somewhat pathetically to a little group of the amused and the curious while waiting for a bet-

ter day when muck-raking and blood-letting are the vogue.

On several occasions in our history, banking, which is clothed with public interest in a peculiar degree, has become a political issue. Banks have been punished for their sins and damned for sins they never committed, and the whole business has been despoiled for a time by the experience. The railroads have gone through three major engagements of the sort and several skirmishes. Until the last few years, public attack on utilities was almost continuous. The insurance business has had one terrible experience with public opinion; and while much of the punishment it received was merited, much was not, and all of it was ruthless and destructive.

The business which lives by insuring others against their hazards should insure itself against as plausible a threat as this, even if a sane public policy were intended only as insurance. But such a policy is needed for reasons that are as important as that of protection against the hazards of public attack.

New Companies Give New Kind of Competition

Organizing new insurance companies has been a popular vocation among promoters, from the beginning of the business. In the past, almost all of the new companies formed were small, inadequately and unsoundly financed, and badly managed. They staggered along for a time, wrote a certain amount of insurance, became involved in difficul-

ties, reinsured and disappeared. As competition, they were unimportant except in so far as their operations were discreditable to the business. Not enough



GLENN GRISWOLD
Editor Chicago "Journal of Commerce"

of them survived and prospered to counteract the discredit.

In recent years a very large number of insurance companies has been formed

to give a new kind of competition. Many of them were promoted in comparative honesty, were soundly and amply financed, had a large paid-in surplus, and are prepared to meet their losses and set up their reserves while they are growing. This probably means that competition in the business will be keener than ever before. But if the business as a whole is to prosper it must find new markets; and that means educating the public and creating public confidence in a way that never has been attempted before.

The public is not insurance-minded. It could be made so. In the life insurance field more progress has been made than elsewhere toward winning public interest and confidence and creating buying demand. But what is needed most is better understanding. The public generally considers insurance as an irritating expense somewhat in the class of taxes. It has no appreciation of the fact that what an insurance company does is to take the money value of a building or a business or an opportunity, and lock it up in a vault, where it is ever ready to replace the cherished thing if it be destroyed.

Insurance Education of Public Is Needed

Little is done to make the public understand what insurance is or to create new markets for the insurance salesman by general education and appeal. There are many forms of insurance that are not understood by one out of 100 of those who should be logical users of it. How many business men understand use and occupancy insurance? What proportion of business which ought to

SPRINGFIELD

Fire & Marine Ins. Co.

CONSTITUTION

Underwriters Department

SENTINEL

Fire Insurance Company

MICHIGAN

Fire & Marine Ins. Co.

NEW ENGLAND

Fire Insurance Company

SOMEONE HAS SAID,

"Reputation is what people think of you, but character is what you really are." To be possessed of both attributes is a combination worth striving for.

From the inception of each of the companies in our group an unswerving policy of fair dealing has been maintained and will be continued in the future.

Springfield Fire & Marine Ins. Co.

Springfield, Mass.

GEORGE G. BULKLEY, President

HARDING & LININGER, Managers
Western Department, Chicago

GEORGE W. DORNIN, Manager
Pacific Coast Dept., San Francisco

WM. H. MCGEE & COMPANY

INCORPORATED

Recognizing the need for additional facilities for the writing of all forms of *Aircraft Insurance* and wishing to round out their well known complete *Marine and Inland Transportation* service to *Local Agents* organized the

TRANSPORTATION INSURANCE COMPANY
and
TRANSPORTATION INDEMNITY COMPANY
OF NEW YORK

Head Office
11 SOUTH WILLIAM ST.
NEW YORK

Western Dept.
175 WEST JACKSON BLVD.
CHICAGO

be protected by this sort of insurance is so protected? The answer is obvious. The same thing is true of many forms of casualty insurance, and it is true in the surety field.

The strongest life insurance appeal the companies ever had, and the greatest opportunity they ever had for writing a large amount of business quickly, was offered by inheritance tax legislation; and yet very little was done by the companies or the agencies to explain inheritance tax laws to the public and to make the public understand what sort of insurance was necessary as a protection and the extent to which insurance should be employed.

It would seem then, as a measure of protection against the sort of things that are happening in Massachusetts and Kentucky today, against the sort of things that have happened in the past, when public opinion arose to scourge the banks, the railroads, the utilities—that a better public policy should be devised and pursued by the insurance business. And it would seem that as the foundation stone on which new business is to be created and bitter competition in the industry is to be satiated, a better public policy commends itself to the business.

Speaking purely as an outsider whose knowledge of insurance arises out of a few modest transactions with insurance companies and a few years spent in watching the business for the news interest that it contains, I venture the suggestion that the insurance business generally is cursed by its claims departments. In that department there is regularly and systematically destroyed a very considerable part of the public confidence and good will that are created by able executives and competent salesmen.

I know there are exceptions to the rule. There are a few companies known to all of us whose claims departments and whose administrative policy with reference to claims might be commended

(CONTINUED ON PAGE 55)

Good Membership Increases Are Made As Campaign Result

By **EZRA M. SPARLIN**
Chairman, Membership Committee

AS THE work of the year was faced, there was some doubt about the success of the five-year membership program. Many thought we already had in our membership all or nearly all the worthwhile agents.

Your committee, state officers and leaders faced the task with absolute confidence of its ultimate success. The goal for the first year has been reached and passed and success has crowned their labors. We are glad to tell you that today the National Association of Insurance Agents stands at the zenith of its history. We have not only the largest membership, but also the finest and most loyal membership this organization has ever had.

The membership of the association on Sept. 1, 1927, was 9,391, and on Aug. 31, 1928, it was 11,025, an increase of 1,634, or 17.4 percent.

The membership committee this year was organized on somewhat different lines than in former years in accordance with the recommendations of the committee last year.

It had a general chairman and a member from each state, the chairman of the state membership committee. This has proven an excellent plan, for it gives the national committee a working member who looks after the membership of his own state.

The major objectives for the year have been concentrated in the following:

1. To make the members of every existing local board coextensive with the state and National associations.
2. To establish a local board in every town and city where none existed and

to make its members members of the state and National associations.

3. To organize county boards along



E. M. SPARLIN, Rochester, N. Y.
Chairman Membership Committee

the same lines where towns are not large enough to form a local board.

4. To retain all the members in established local boards.

5. To secure new members in such boards.

To assist in attaining these objectives

every state should have a membership committee and a new boards committee.

The officers and membership committees of the various states are competent, enthusiastic and have done splendid work, as the results show. The leaders in the several states have been active and alert and to them is due our hearty thanks for making the first objective of the first year of the National association's five-year development program such a success.

This committee wishes to appeal to every member to do everything in his power to assist in building the membership. You may use the emblem of the National association on your stationery and billheads. It is among the most valuable assets brought to them by this great organization. Do not neglect to use it, for it is a mark of respect, a privilege, and an honor.

Finance Committee Report

W. B. Calhoun of Milwaukee, chairman of the finance committee, reported that there are some states that have a lower scale than the recommended minimum of \$10. It is the hope of the National association that all states will establish this as a minimum. The report stated that the year has been one of great activity and the result is increased expenditures. The balance at the close of the year will be about \$10,000, as compared with \$20,000 a year ago.

Next year's National association plans are even more ambitious. Mr. Calhoun said the program is a big one, but the National association plans a 10 percent increase in membership, so that it will have funds to meet obligations. In spite of the enlarged program for the year just ending the percentage over the initial allocation for the various states has been kept down to 10 percent. The total amount of the net budget of operating expenses for the next year has been fixed at \$85,230, which is only \$115 more than the net budget of a year ago.

Good Friends of Local Agents

**THE LONDON & LANCASHIRE
INSURANCE COMPANY, LTD.**

**LAW UNION & ROCK
INSURANCE COMPANY, LTD.**

ORIENT INSURANCE COMPANY

SAFEGUARD INSURANCE COMPANY

ENGLISH AMERICAN UNDERWRITERS' AGENCY

**General Office: 223 West Jackson Boulevard,
CHICAGO, ILLINOIS**

Represented by High Class Agents

The Progressive Company

Organized
1892



36 Years'
Service

Life Insurance in Force in excess of
\$1,140,000,000.00

Largest Life Insurance Company West
of the Mississippi River.

14th among the more than 350 Legal
Reserve Companies of the United States.

Branch Offices and General Agencies
in practically all important centers.

Always room for more good men

MISSOURI STATE LIFE INSURANCE COMPANY

HILLSMAN TAYLOR, PRESIDENT

HOME OFFICE, SAINT LOUIS

Every Risk on Your Books Having \$50,000, or More, of Values is a Shining TARGET for Your Competitors

UNLESS—you sell those risks the greatest protection against fire known to man—*Automatic Sprinklers*. When you do this, your service to those clients will make your control of their entire insurance line *competition proof*.

Thousands of agents are proving this every year. Think of it, over \$300,000,-000.00 of property values were sprinklered last year and in

**Fully 90% of the risks involved the insurance
went to competitors**

Hundreds of agents, brokers and companies are searching our risks and stealing the insurance carried through selling the owners to install automatic sprinkler systems. In almost every case they not only get control of the fire insurance but the entire insurance line. Some day they will steal one of your choice risks—then another.

and remember this—every agent controlling a line of insurance who has sold the owner of the property to installing automatic sprinklers learns that it is the best of good business—the kind of good business that materially increases his profits on that line because the client buys more insurance than ever before and brings him new clients.

The Phillips Plan of automatic sprinkler installation gives your clients the best of sprinkler equipment on the deferred payment plan. It protects you at all times. Let us tell you more about it. Send in the coupon now and read our guarantee on the next page.

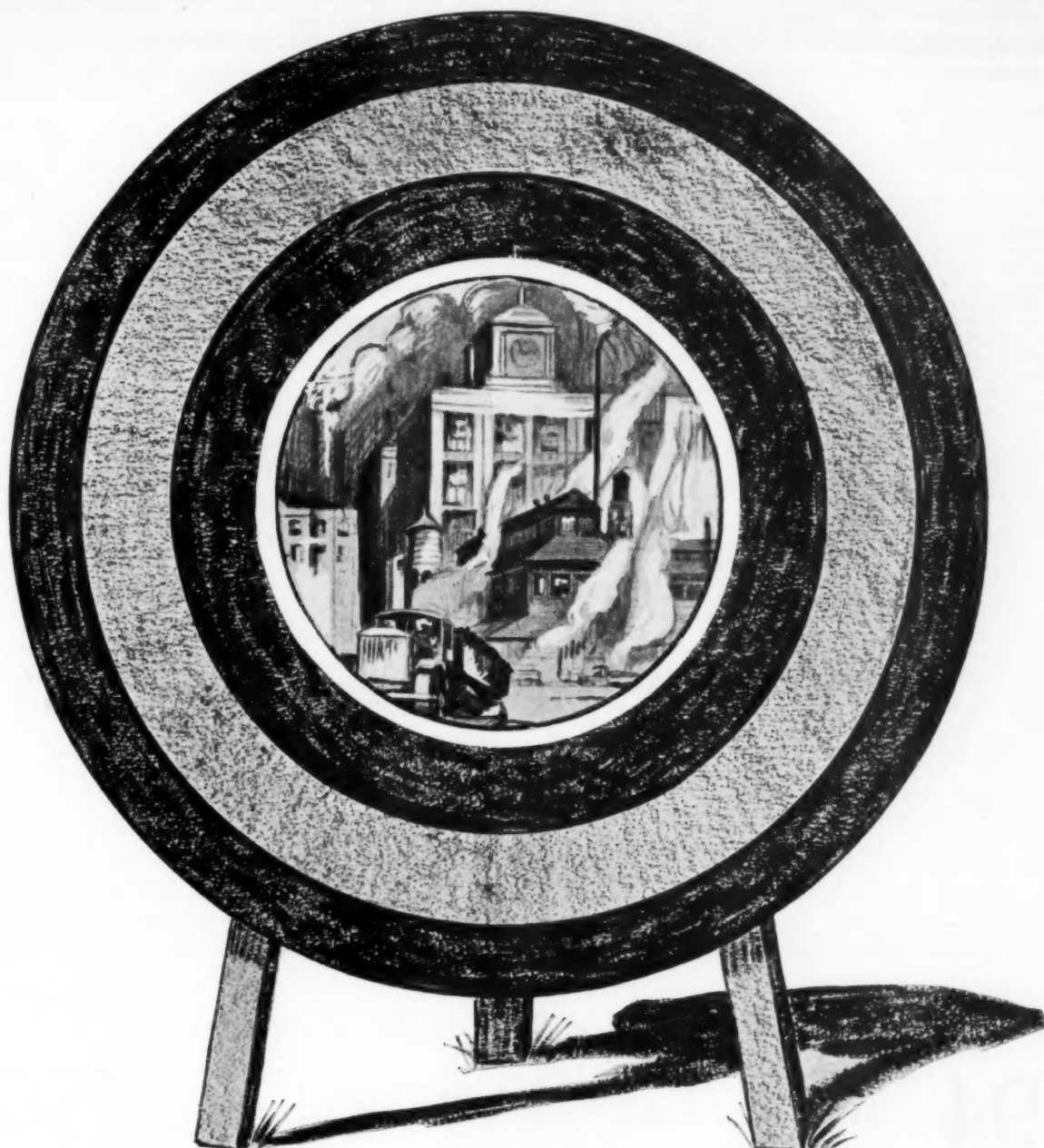
THE PHILLIPS COMPANY

Automatic Sprinklers

39 South La Salle Street

CHICAGO

ILLINOIS



The Phillips Warranty

THE PHILLIPS COMPANY of Chicago has been financing the installation of automatic sprinkler systems since 1903.

THE PHILLIPS COMPANY is not an insurance broker and has no connection or affiliation with any insurance office. Local agents can therefore consult with us freely as our policy protects their insurance relations with their customers.

THE PHILLIPS COMPANY can give references from your company or companies and from **THE NATIONAL UNDERWRITER**, which would not accept our advertising until convinced that our plan of operations did not in any way conflict with the principles of agency practice now universally recognized.

THE PHILLIPS COMPANY, upon the high principles here set forth, will install automatic sprinklers in the plants of your customers upon a liberal plan of deferred payments out of the savings in premium for the superior protection thus afforded.

THOS. H. GILL, President.

The Phillips Company

39 South La Salle Street,
Chicago, Illinois.

Please tell me how your plan of automatic sprinkler system installation will make my large lines "competition proof" and help me increase my business.

Name

Address

City..... State.....

C. W. Varney Reports On Membership Drive

Charles W. Varney of Rochester, N. H., president of the New Hampshire Association of Insurance Agents, made an interesting report on the 100 percent membership increase campaign conducted by the New Hampshire association, saying in part:

"The five-year development program plans a systematic effort to attain many objectives, but the fundamental aim is a 50 percent membership increase.

"Our first effort was the securing of a 100 percent membership to the state association from the Manchester local board, which resulted in giving us 22 new members. These, together with the new members secured to and including our annual meeting in November, gave us a net increase of 40.

"During the next two months a careful survey was made of all the eligible non-member agents in the state and the preparation of our salesmanship campaign began, for we had now decided that we would try to increase our membership 100 percent by selling our association to those non-members.

"The result of three letters we sent out was a further increase of 30 members, making our total increase 70 on April 1. These letters answered another important purpose. They served as an introduction in the campaign of personal solicitation that was to follow. Having completed our advertising, we were ready to follow it with a sales campaign. Secretary Demeritt and the speaker made four tours of two days each, resulting in the securing of 42 additional members and bringing our increase up to 112.

"On Sept. 1, 1927, our membership was 101, and on Aug. 31, 1928, it was 213, an increase of 112 members, or 111 percent. During the year we lost only one member we had at the beginning of the year.

"What New Hampshire has done you

Outlawry of Split Agency Is Held to Be Easily Feasible

By GEORGE D. MARKHAM

St. Louis

IN MOST localities, where the local agent is still the sole agent of his companies, his loyalty is as fine as ever. Whatever diminution there is, if any, can be traced to the contagion of indifference which has spread from towns where the agents have been released from loyalty because their companies have split up their agencies among two or more appointees for the same company. Inasmuch as the example of these large town agents has considerable influence, there may be a spread of multiple agents' indifference into some sole agencies.

Essence of True Agency Is Trust

It is in the large-premium localities that agents' loyalty is weak and must be strengthened. The large town agent can be of greatest service. All the agents in a state are needed to shape a kindly public opinion, to guard against hostile legislation, to fight mutuals and reciprocals and to advance fire and accident prevention work; but the large town agent should lead in these activities, bringing his wider experience and ampler means to the betterment of the business. But how can we expect to find the large town agent zealous in the

service of the business as a whole if he has been taught to be self-centered and selfish in his own agency?

The essence of a true agency is trust and reliance on the part of the principal and care and loyalty on the part of the



GEORGE D. MARKHAM, St. Louis

agent. Originally it was this way in the relation of an insurance company and its agent.

It was a great shock when the first company split up its agency, lured thereto by the belief that the newly established rating machines were going to make rates high enough to cover any

losses. Those fragments of agency appointments were not valued by agents as the sole agency had been, so the company soon had to "sweeten" them by increasing commissions where permissible or by greater laxity in underwriting.

Never could the company exercise much control or restraint over these fragments of agents. The multiple agency was wholly a demoralizing invention. Yet, one after the other, the companies were forced to follow the leaders into this destructive practice of splitting up the agency appointment.

Multiple Agency Has Lost All Justification

Today it has lost the only justification it ever had,—to get a larger share of the business. Yet it has been so long the practice in large-premium towns that a generation of agents has grown up that has known nothing else. Many agents like the multiple agency system because it furnishes a wide-open and careless market in which to place questionable risks.

Yet the split agency practice can be outlawed over the opposition of these gentlemen if that is what should be done. A dozen leading companies, together with our National Association of Insurance Agents, can accomplish this reform. A large majority of managers are now convinced that multiple agencies never increased the total of premiums in any town but only affected distribution of that total, and that a return to sole agencies, if universal, would not greatly change any company's share; that the business would be done more safely and more economically; that losses would be less; that adjustments would be closer, and that their sole agents would defend them more zealously and would work for them in every way with old time loyalty. Opinion amongst managers is ripe; all that is needed is a plan which looks feasible, and some earnest leaders.

1794



1928

THE INSURANCE COMPANY of the STATE OF PENNSYLVANIA

PHILADELPHIA, PENNSYLVANIA

Dec. 31	Assets	Reserve	Surplus
1916	\$4,658,595.39	\$2,628,030.61	\$ 402,353.66
1921	5,038,142.66	2,827,010.19	642,189.66
1926	6,389,177.18	2,590,488.87	2,092,414.28
1927	7,087,775.91	2,660,273.69	2,602,960.76

Acquire THE OLD "STATE OF PENN."



Insuring Insurance

An American Appraisal establishes the insurable value of property, classifies and summarizes it in accordance with insurance requirements, and equips the insured with complete data with which to prepare an immediate and accurate proof of loss in the event of fire.

THE AMERICAN APPRAISAL COMPANY

Atlanta
Boston
Baltimore
Buffalo
Chicago

Cleveland
Cincinnati
Detroit
Dallas
Indianapolis

Kansas City
Los Angeles
Minneapolis
Milwaukee

New Orleans
New York
Philadelphia
Pittsburgh
Syracuse

St. Louis
San Francisco
Seattle
Washington
Berlin, Germany

A N A T I O N A L O R G A N I Z A T I O N

Reputation Won With Service
THOS. MCGEE & SONS
 INSURANCE and SURETY BONDS
 TITLE & TRUST BLDG.
KANSAS CITY, Mo.

When you get home
 start fighting for
 the American Agency
 System

LYLE STEPHENSON

Leave It to Lyle



Greeting
LOCAL AGENTS

WE, Kansas City Agents, represent this opportunity to participate in the West Baden and all the successful Convention of the National Association of Insurance Agents.

Our Hats are off
 to **KANSAS CITY**

There is no City in America where the American Agency System is better supported—

The National Underwriter
 Chicago

SHEA & McCORD

*Insurance
 and
 Surety Bonds*

312 New York Life Bldg.
KANSAS CITY, MO.

*General Agents
 Hartford Accident and
 Indemnity Co.*

**MANN, BARNUM
 & WELSH**

504 Waldheim Bldg.

Kansas City, Mo.

**ALL LINES
 SURETY PARTICULARLY**

We remember with pleasure the which three years ago Kansas privilege of being host. We well worth the effort was to h vention.

We said some thing regarding Association then, there want here—

"Kansas City Agents produced tional Association and affirm th to its principles. It is achieve the conviction that influenc amazingly, and both Agents panies recognize it as honest intermediary through which the may be adjusted.

"The National Association is which we cling witheringly overwhelmed, and we never

"Our business is not only s co-operate with each other, and contact we have just enjoyed ren for the future of our business a in our fellowmen.

"Long Live the National Association soon again pull Kansas City's la

GREETINGS to the

National Association of Insurance Agents

R. B. Jones & Sons

Since 1889
**INSURANCE UNDERWRITERS
 AND ENGINEERS**
 Federal Reserve Bank Building
KANSAS CITY, MO.

Leading Local Agents of Kansas

meetings! LOCAL AGENTS

Agents represented, want to take
city to circulate the Local Agents of
and all insurance men who made possible
tion of National Association just held.

der with sure the convention
years Kansas City had the
being host. We know how
the effort was to have the con-

ne thing regarding the National
then, they want to reaffirm

ty Agents proud of the Na-
tional Association affirm their allegiance
ples. Its achievements justify
ion that influence is growing
and both Agents and the Com-
munity recognize it as honest and fair in-
terest through which their differences
are settled.

onal Association is our Staff to
bring us something about to be
d, and it never failed us.

ness is so only so long as we
with each other, and the personal
have just renewed our hopes
re of our business and confidence
women.

the National Association! May it
pull Kansas City's latchstring."

Oppenheimer Bros.

Extend the facilities of their
office to out-of-town members
of the
National Association in placing
lines in Kansas City.

1012 Baltimore Avenue
KANSAS CITY, MO.

WALTER R. ANTHONY
LESLIE E. BAIRD

CLARENCE R. FIDLAR
GEORGE E. MORGAN

Kansas City Insurance Agency

BROKERAGE BUSINESS SOLICITED
Companies Represented

1003-7 Waldheim Building
KANSAS CITY, MISSOURI

FRADENBURG & TROTTER CO.

Insurors

Rialto Building
Kansas City

Frank Furgason

Kansas City

Fred V. Griffith

W. B. JOHNSON & COMPANY

INSURANCE

Sharp Building
Kansas City, Mo.

LEONARD C. KLINE
Vice-President

LAURANCE H. PHISTER
President

HOYT S. NELSON
Vice-President and Secretary

SPENCER F. HARRIS
Treasurer

J. ARTHUR CORBITT
Vice-President

CHARLES F. WILSON, Manager
Liability and Compensation Depts.

RICHARD A. COONS, Manager
Engineering and Rating Division

PHISTER INSURANCE COMPANY

FIDELITY TRUST BUILDING
KANSAS CITY, MO.

PIERCE BUILDING
ST. LOUIS

SPECIALIZING IN ATTENTION TO BROKERAGE ACCOUNTS

Kansas City—The Heart of America

Casualty and Surety Committee Gives Report

P. J. CLANCY, chairman of the casualty and surety committee, prepared a report for the committee in which it was recorded that few complaints were made during the year but which advised the executive committee



ROSS E. COFFIN, Indianapolis
General Chairman on Arrangements

to be prepared for any problems that may arise as the result of increasing competition. In part the report read:

"Your committee on casualty and surety had very few complaints referred to it the past year. In fact the subjects that were referred to it were not complaints but matters pertaining to the business wherein an adjustment was desired.

"While the benefits accruing from

these adjustments would affect all agencies alike, yet they were such as had to be determined by local conditions in some territories and part of them have been taken care of. The remainder are in process of negotiation.

"The advent of many new casualty and surety companies in the field, and their organization by the fire companies, or the fire companies linking up with an indemnity company for the purpose of issuing joint policies has led to the creation of additional competition against already established agents and companies. Therefore this increase in competition will be felt sooner or later in decrease of premiums on account of spreading it over a wider field. We therefore recommend that the executive committee make a special study of this situation during the coming year.

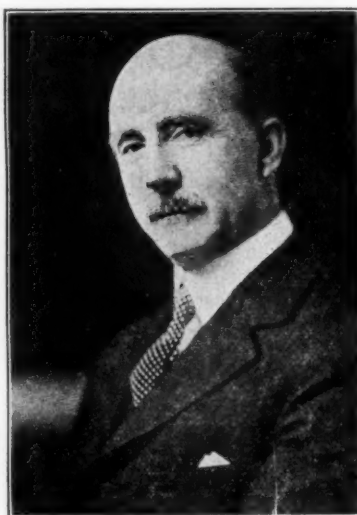
"To the present, casualty and surety companies have used their efforts mainly in educating agents and public to the necessity of liability and surety coverage, so the result so far by increasing competition in the field has been an advantage rather than a disadvantage to the agents in giving a more liberal education to the public on liability and corporate surety lines.

"It is true that in some sections of the country this competition has brought about some demoralization of rates and cultivated rebating. This particularly applies to contract bonds. This situation seems to be more acute in the middle west, particularly due to the fact that there are no anti-rebate or qualification laws on the statute books of many of these states. The companies themselves have become more liberal in their contract bond underwriting, in fact there is a growing sentiment that authorizations are being increased without due regard to qualification of the principal, either financially or as to ability.

"Because of the complications that are liable to arise in liability and surety business your executive officers will do well to keep in close touch with the situation and the casualty and surety com-

Downward Trend In Fire Losses Reported

The report of the fire prevention committee, presented by Edwin J. Cole of Fall River, Mass., chairman, recounted the work of the committee in educating against fire waste and recorded, "for the first time in seven



EDWIN J. COLE, Fall River, Mass.
Chairman Fire Prevention Committee

years," a downward trend in the fire losses of the country. In part the report read:

"For the first time in seven years we are able to present a report showing a

mittee of your association will no doubt have increasing responsibilities as time goes on."

downward trend in the fire losses of the country. This gives us much encouragement to face the future but there must be no relaxation in our efforts in fire prevention to bring about much better results.

"When we realize that fire waste has increased from \$258,377,000 in 1916 to \$560,548,000 in 1926 it is no wonder that our organization should use every efficient means within its power to assist in bringing about a change.

"Many causes might be assigned to account for the abnormal and unsatisfactory fire record—the objective, however, was to provide a remedy. Two years ago our organization adopted as its fire prevention slogan, 'Make Every Day Fire Prevention and Conservation Day.' Publicity is the most direct and efficient means to spread the gospel in our campaign of education in fire prevention. This plan is being carried out and is now producing favorable results.

Is Cooperating With Fire Waste Council

"For many years we have been affiliated with the National Fire Waste Council, cooperating with that body in extending the work all through the territory. This service anticipates the cooperation of local commercial organizations affiliated with chambers of commerce country-wide in the Inter-Chamber Fire Waste Council. Its aims and objects are to teach practical fire prevention locally. Cities are divided into five classes, according to population.

"Credit is given to those cities showing a reduction in fire losses, for educational activities in fire prevention work and for permanent improvements in building construction and protection, also for fire department efficiency. In 1927 more than 610 cities were eligible in this contest.

"In 1914 Portland, Ore., was the fourth conflagration city and had the highest per capita loss of any city in America. The following year a fire pre-

Greetings from RHODE ISLAND INSURANCE CO. MERCHANTS INS. CO. OF PROVIDENCE GUARANTY FIRE INSURANCE CO.

EMIL G. PIEPER
President

UNION FIRE INSURANCE CO. OF PARIS, FRANCE

EMIL G. PIEPER
Manager

17 Custom House Street, Providence, R. I.

THE Fidelity and Deposit Company of Maryland believes that the work of the National Association of Insurance Agents in raising standards of practice and in promoting the integrity of insurance as an institution is worth vastly more to the insurance agent as an individual, than the nominal expenditure of time and money required for membership.

vention campaign was organized and after two years the fire loss was reduced from \$1,979,000, \$6.78 per capita, to \$278,000, 93 cents per capita.

"The fire loss for 1927 was \$478,000, showing a marked decrease from the previous year. For seven years prior to 1927 fire losses had persistently increased, arousing little comment from the public but causing much apprehension among underwriters.

"The fire loss figures for the first six months of 1928 indicate the sum of \$175,000,000, against \$177,000,000 for the same period of 1927; not a great reduction, but nevertheless encouraging.

"Many of our state associations are diligently cooperating in fire prevention work. Every state association should be in line engaged in this worthy and necessary service.

"Your committee with the assistance of the 278 key men of this association, organized through the committee on public relations and education headed by Earl E. Fisk and scattered through the entire territory, is prepared to assist every state association in this work and provide speakers if desired.

"Public attention must be directed to hazards not generally understood, but a source of danger both to life and property, such as the extending use of various electrical devices and particularly the carelessly installed electric flat iron—the growing use of toilet articles and home ornaments covered with celluloid or similar products—a constant menace in every home—cigarette smoking—faulty installation in oil heating systems, and other hazards."

C. C. Mitchener of Marianna, Ark., secretary of the Arkansas Association of Insurance Agents, city manager, chief of the fire department, who is said to hold more offices of various kinds than any other man in his state, drove up to West Baden accompanied by Mrs. Mitchener and Mr. and Mrs. Hudson of Marianna.

Agent of Tomorrow Must Be Insurance Counselor to Public

By MAJOR C. R. MORGAN
President, Charleston, W. Va., Board

WE ARE in the midst of the most astonishing era the world has ever known. Yet this ever-changing scene brings to us the most intricate problems ever faced by the insurance business. The panorama of American life must have as an important part of its picture the insurance agent, ready to state risks and protect them by definite coverage. Fortunately for American business and society, the American insurance companies and their agents have not been found wanting.

Agent of Tomorrow Needs Knowledge, Courage

Judging by the experiences of the last few years, the agent of tomorrow must meet and overcome difficulties in connection with his business and provide for coverages about which we know as little as our fathers knew of these problems of ours. To do this, the future agent must be an agent in every sense that the term implies. He must be clothed with discretion for the reason that he not only represents his principal and must understand his rights, but he must know the relationship in which that principal stands with reference to the third person with whom he is to contract for his principal, and in this day of modern business he must deal so fairly as to bring about for his principal the end desired and at the same time serve and please the third person, while he brings to his principal and himself profit thereby. The future agent must not be a mere servant whose comings and goings must be dictated by his master, but a person of importance and

intelligence, who rightfully demands and receives the respect and confidence of his client as well as the fullest cooperation and support of his company.

We are aware of the advance in training which the agent of today receives over that of a generation ago, but the agent of tomorrow, general or special or local as he may be, must have broader knowledge than is demanded of men in many other professions. He is continually making contracts, and he must understand the legal effect of the instrument by which he brings about these contractual relations. He deals with material things and needs a practical knowledge of engineering and architecture.

Agents Expected to Be Insured's Advisors

I have already spoken of the confidence in which the future agent is to be held by the third person with whom he deals, the insured. We, as agents, are expected to advise our insured in all insurance matters. We are daily placed by both companies and insured in a position which the attorney at law would find to be very embarrassing; and if I see aright, we must expect in the future even greater responsibility.

The agent of the future must be paid. From time to time we find companies, urged by false economy which shows well that they do not fully understand the situation, setting about bringing so-called reforms in agency conditions by reducing the remuneration to the "breadline." It is a sad commentary on present practice in the insurance business

that men trusted with the power to bind their companies for hundreds of thousands of dollars must sometimes worry as to the wherewithal to pay the rent and the payroll. The living standards of the present are not those of the past, and the constantly increasing production of industry foretells that the living standard of the future will far surpass that of the present. If the agent is to prepare himself, to qualify himself, and to build a reputation for industry, character and integrity in his community equal to that of the best professional men of his acquaintance, he should and must expect for that service and sacrifice a commensurate return.

Law Will Compel Agents to Qualify

The law will insure that the agent of tomorrow is qualified. The standards of the insurance business of today and tomorrow are too high to admit grocers, blacksmiths, retired farmers, and household specialty canvassers without previous training. Every insurance contract is a serious legal obligation, the interpretation of which in most cases must be deferred until the subject matter is destroyed. The badly written deed may be equitably reformed while all the parties are alive and the lines and boundaries remain intact. The insurance contract is almost a forgotten instrument until the loss occurs and half the evidence is wiped out. The courts correct the lawyer's mistakes, but the public, or the company, pays and pays well for those of the insurance agent. Wise and reasonable laws protecting the American public against the untrained, irresponsible or dishonest man who endeavors to enter the insurance business must and will be provided.

Two distinguished and popular company officials from Baltimore at the West Baden convention were Vice-President R. H. Thompson of the Maryland Casualty and Assistant Secretary J. G. Yost of the Fidelity & Deposit.

Do You Know What FRED S. JAMES & COMPANY Can DO For You?

AS a matter of good business you should be familiar with the services rendered by this organization. A familiarity with the facilities to be secured through Fred. S. James & Co. and the companies managed by them will stand you in good stead whenever exceptional service is required. Fred S. James & Co's service is nation wide in scope so that wherever you are it is available to you. Your inquiry is cordially invited.

United States Managers

The **GENERAL FIRE INSURANCE CO.**

The **URBAINE FIRE INSURANCE CO.**

The **EAGLE STAR & BRITISH FIRE INSURANCE CO.**

NEW YORK - - - - - CHICAGO - - - - - SAN FRANCISCO

FIRE REINSURANCE
INTERNATIONAL
Insurance Company
of New York

SUMNER BALLARD

President

80 John Street, New York

Get-Together Dinner Held Tuesday Night

THE get-together dinner Tuesday night in the big atrium of the hotel was in charge of President W. E. Harrington. Loud speakers were provided to carry the voices. The immensity of the auditorium and the high dome caused an echo effect which was somewhat disconcerting. At the speakers' table President Harrington was flanked on either side by Lieutenant-Governor F. Harold Van Orman of Indiana, Commissioner C. C. Wysong of Indiana, Ross Coffin of Indianapolis, chairman Indiana association arrangements committee; Secretary W. H. Bennett; Rev. Joseph Honningford of West Baden, who spoke the invocation; J. Heber Hudson, Illinois Chamber of Commerce; W. H. Bruner, president Indiana association; Harry C. Spillman, manager department of education, Remington-Rand Company; T. F. Cunneen, manager insurance department, United States Chamber of Commerce; R. P. DeVan, chairman executive committee, and the following ex-presidents: A. W. Neale, Cleveland; Cliff C. Jones, Kansas City; Frank L. Gardner, Poughkeepsie, N. Y.; James L. Case, Norwich, Conn.; E. M. Allen, New York City. J. W. Stickney of Indianapolis introduced the head table celebrities.

Commissioner Wysong Speaks at the Dinner

Commissioner Wysong called attention to the fact that insurance commissioners come and go, their mortality being very heavy. Lieutenant-Governor Van Orman, who is a prominent hotel man, owning hotels at Evansville, Ind., and Decatur, Ill., proved to be one of the hits of the occasion. He is a man of remarkable personality who puts his stuff across effectively. Mr. Hudson, who is the contact man for the Illinois chamber and does much platform work, combined humor and homely philosophy

Cunneen Recounts United States Commerce Chamber's Activities

T. F. Cunneen, manager of the insurance department of the United States Chamber of Commerce, addressed the meeting on the functions of the chamber, and after giving a historical review of the chamber's operations said in part with strict reference to insurance:

Opposes State's Entry Into Business

"The Chamber of Commerce has always been opposed to the government encroaching in business which can well be undertaken by private initiative. Insurance has always been a leader in teamwork. The insurance world comes in contact with every form of business and must necessarily know the problems of each business or trade in order to furnish it protection. The manufacturer requires fire and liability insurance, workmen's compensation coverage, group insurance as well as other forms of protection; the financial organization looks to insurance to protect it in the extension of credit, to guarantee its bonds and to furnish fidelity and surety coverage; the farmer may require live stock and crop insurance; the marine merchant demands cargo and hull protection; and now the holder of patent rights looks to insurance for protection against infringement. With the development of aircraft, the aeronautical company as well as the aviator is also look-

ing to insurance for protection. No vast building or business program can be carried on without the protecting arm of the insurance institution.

"The primary objective of the insurance department of the National chamber is to give the insurance policyholder a better understanding of the principles of insurance and the institution which carries on the business. At the same time the department is in a position to convey to the insurance business the

viewpoint of the policyholder on matters of particular mutual interest. One of our foremost activities is to keep our membership informed when proposals of an inimical nature are advanced, particularly in the various state legislatures. The department also assists business men in reducing losses through nationwide fire prevention and health campaigns which it is undertaking.

Insurance Is Subject to Government Encroachment

"Insurance has not escaped the serious possibility of encroachment by the federal government. In two shipping bills introduced in the House of Representatives last winter, proposals were contained to place the federal government in the marine insurance business. During the course of extensive hearings on these bills, the House committee on the merchant marine and fisheries devoted much attention to the proposed entry of the government in the insurance business. The National chamber expressed its opposition to the establishment of a reinsurance fund, stating that the American marine insurance companies are fully able to supply all insurance needs.

"After the hearings had been completed the House committee drafted a new bill in which the marine reinsurance proposal was eliminated. It substituted, however, a section which would permit the Shipping Board to insure in a fund of its own all legal or equitable interest held by the United States government in any vessel constructed or under construction, together with its interest in any plants or property in the possession or under the authority of the Shipping Board. This measure was subsequently enacted and became law in the Jones-White shipping bill.

"At the last session of Congress a bill was introduced to create a monopolistic federal workmen's compensation fund for the District of Columbia. The National chamber, in cooperation with



TERENCE F. CUNNEEN,
Washington, D. C.
Manager Insurance Department, United
States Chamber of Commerce

WITH CO-OPERATION
— THERE IS PROGRESS
WITHOUT CO-OPERATION
— THERE IS CHAOS

INSURANCE BOARD OF CLEVELAND
CLEVELAND, OHIO

local business men's organizations, opposed the measure with the result that a satisfactory bill known as the Blaine-Underhill bill was passed and signed by the President. The success of the Blaine-Underhill bill was largely due to teamwork between the business men of the District of Columbia, casualty insurance men and the National chamber.

"The subject of compulsory automobile insurance is of national interest. Although Massachusetts is the only state which has enacted a compulsory automobile insurance law, there is considerable demand from some sources for it in other states. The National chamber supports the principle that compulsory automobile insurance will not afford the proper remedy for the situation. The correctness of its position is borne out in the recent experience in Massachusetts. The National chamber has successfully cooperated with other organizations in opposing the enactment of such legislation in other states as well as the District of Columbia, and the insurance department is now studying the results and experience of the Massachusetts law as well as the financial responsibility laws adopted by some of the New England states.

"The chamber has encouraged the passage of the uniform motor vehicle code sponsored by the National Conference on Street and Highway Safety. It has been demonstrated that where this code or similar legislation has been passed the automobile accident record has greatly improved.

Favors Reduction of Special Insurance Taxes

"Several years ago the National chamber adopted the principle that special insurance taxes should be reduced to the total in each state which will adequately pay for the state's departmental supervision and that a uniform principle of taxing the holders of insurance should be adopted in all the states. For the past five years the insurance department has made an annual survey of special insurance taxes imposed upon policyholders in all states. The tendency is to increase insurance taxes and fees while the percentage spent for service to policyholders has generally decreased. From data compiled by the insurance department it has been shown that during 1926 \$80,000,000 was collected for special insurance taxes, but less than 4 percent of this sum was used in the operation of the state insurance departments to serve policyholders, the balance of the taxes so collected going into the general revenue fund of the states to which policyholders had already contributed in the form of other taxes. A recent investigation by the National chamber has disclosed that 8 percent of all taxes collected are derived from the insurance business.

Other Items on Program Cited

"Other items on the program of the insurance department include an endeavor to secure the admission of every state to the federal birth and death registration areas by 1930 in order that we may have truly national records of all births and deaths; an endeavor to assist in the development of marine insurance in the United States through enactment of the principles of the model marine insurance law of the District of Columbia by the various states; an attempt to bring about greater uniformity in the insurance supervisory and regulatory laws of the various states and support of federal legislation to bring about better coordination of the public health activities of the United States government.

"Realizing that a knowledge of insurance facts by business men logically precedes a proper comprehension of the insurance institution in its broader phases, the departmental program provides for a series of educational bulletins. These bulletins present to policyholders facts in simple terms about their insurance contracts. They are mailed to all chambers of commerce and trade

associations affiliated with the National chamber as well as to numerous public officials, corporations, firms and individuals who may be interested in the subject matter. A number of these bulletins deal with fire and casualty insurance subjects. For instance, a bulletin which explained in simple terms the significance and meaning of the coinurance clause in the fire insurance contract has had a circulation of more than 600,000 copies.

Fire Prevention Is Among Major Activities

"Fire prevention is a major activity. Nearly 600 chambers of commerce throughout the country have enrolled in the Inter-Chamber Fire Waste Contest which is conducted jointly by the insurance department of the chamber and the National Fire Waste Council, consisting of 19 national organizations and four governmental bureaus. The concurrent decrease in property losses last year was \$12,000,000 as compared with slightly more than \$4,000,000 in 1926.

"The health program for commercial organizations which is being developed by the insurance department in cooperation with the American Public Health Association, the National Association of Life Underwriters, the United States Public Health Service, and the civic development department of the National Chamber has for its goal the enlistment of the interest of every chamber of commerce throughout the country in a program of health and life conservation. Health bulletins dealing with proposed activities for the attention and endeavor of chambers of commerce have been published and distributed.

"Local chambers of commerce need the advice and cooperation of insurance men in solving many of their problems. Likewise, insurance needs the support of business men and business organizations. Team play on the part of insurance men will assist in enlisting the support of business organizations when attempts are made to single out insurance in the imposition of unjust taxes, in the fight against monopolistic state funds and the other problems opposed to the best interests of insurance as well as the interests of policy holders. We urge insurance men to take a keen interest in their local chambers of commerce."

Charles L. Gandy Speaks for Better Membership

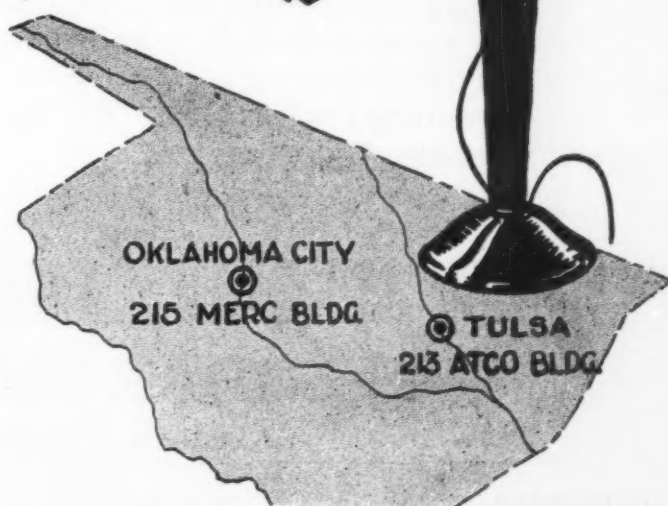
Charles L. Gandy of Birmingham, Ala., president of the Alabama association and member of the National association executive committee, suggested that it be made a condition of membership in the association that the agent shall be a member of the local board of his community, if there be a local board, and that every local board member shall be a state association, and from this a National association, member. In part his address was:

"Five years ago I made the statement that local boards are the backbone of the American agency system. To my knowledge that statement has never been disputed. If at any meeting of this association since Buffalo I have failed to say something concerning local boards, it is because the opportunity was lacking.

"There should be a strong local board in every community, just as there should be a well organized state association in every state.

"This proposition of co-extensive membership was fully and forcefully presented by executive committee resolution last March. The National association has long advertised that its prime purpose is 'to support right principles and oppose bad practices in underwriting.' That is essentially the object of every state association, and if it isn't the purpose of your local board, then it ought to be immediately disorganized. The object of local boards and state and national associations being the same.

**Call
on
The Fuller
Adjustment Co.
When You Have
Insurance Losses
in Oklahoma—
TWO OFFICES
OKLAHOMA CITY—
TULSA
TO SERVE YOU PROMPTLY,
EFFICIENTLY
AND ECONOMICALLY.**



why should not the membership be co-extensive? That the membership should be co-extensive seems as apparent as the need for local boards.

"In my opinion the bringing about of co-extensive membership is one of the most important aims of the five-year development program, and when it becomes general in this country you are going to see in the National Association of Insurance Agents an organization strong enough to cope with any problem which may confront the agents of America. The way to bring about this happy situation is for you and me immediately to set to work in our respective states, and keep at it until the job is finished.

"As to 'cohesion,' it wasn't set down in my subject merely because it blends nicely with 'co-extensive,' for it has a real meaning. It means briefly 'the act of sticking together.' If there be a group of individuals that needs to stick together, it is the insurance agents of the United States. If there is a business that presents more problems than ours, I don't want to get into it.

"'Cohesion' is a good word, and we ought to write it in twelve-inch letters on our office walls. The act of sticking together should become an art with us, for the need is urgent."

One of Association's Duties Is To Help Educate Local Agents

By **GEORGE A. CALDWELL**
President Tennessee Association

ONE of the vital questions before our local associations is agency qualification. What will raise the qualifications of our agents more than education? Some of our members expect to do great things through agency qualification laws. I believe that will take care of itself if we have properly trained and qualified agents to enter the business. I am afraid we are trying to stifle competition by limiting the agents' license, and if we are, it will react against us.

A profession must be builded, and the only foundation for that structure is education. This idea must be brought to a practical application by us. The best place to begin is in our own offices. How many of us require some preliminary training on the part of the agent before he is allowed to begin soliciting and how many of us have any facilities in our office to offer new men? I am

sorry to say these facilities in my own office are scarce. We do require a new man to complete certain reading before he is allowed to start as a solicitor. We represent a company that furnishes us with an educational course which we require our new men to master before turning them loose on an unsuspecting public. We pay them a small salary during this period and use them in collecting and other office detail.

What may we and the public expect from the educational efforts and facilities? First we find more college graduates taking up insurance as their life work. Fifteen years ago it was a rarity to see a university graduate entering the insurance business unless he had an opening in the office of some relative or some special inducement. I can name 10 or more college graduates who started selling insurance in our city this year. I believe education and training

in our universities on insurance lines will bring many able men into our profession.

The man who enters into the study of insurance finds many problems confronting him that would tax the intelligence of the keenest minds.

We may expect training in schools to enable a beginner to step into profitable soliciting much quicker than is now the case. We have men who try to start soliciting immediately upon their securing a license, but these men are handicapped until they get practical knowl-



GEORGE A. CALDWELL, Knoxville
President Tennessee Association

edge of insurance from hard knocks, most of which could be eliminated by a previous course of training.

What can the National association do to advance the education and training of agents? First, we can analyze the needs in educational fields by subjects. We all realize the necessity of some action along this line. We will have able support from the companies and from the educational institutions. The Insurance Institute of America publishes a syllabus of insurance courses, listing the publications to be read in studying the different branches of insurance. This course places data in the hands of any agent, with the use of which he can prepare a lecture on any insurance subject. The institute has done much to make available the material we now need in concrete form. It is up to our association to point out where we are deficient or lacking in the right kinds of material for our education.

We now have some 10 universities with some kind of a course for the study of insurance. The great trouble in our case with these courses is that they are designed particularly to train field men for companies rather than local insurance agents. To make these courses beneficial our own organization must be prepared to give time and energy in placing the local agent's viewpoint in these courses, and to do this we must be prepared to tell what we know to the younger generation.

Are we willing to actually assist the schools and universities in our home states in building up this work and make it worth while to young men and women? You men who come from the towns and cities of the states where the state universities and colleges are located have the greatest opportunity if you will grasp it. These schools are all seeking light on the subject of our profession, and we are the only ones who can give them information. Are we willing to sacrifice some of our time and energy to help them? The companies are doing wonders to bring insurance to the attention of the public, but it is difficult for them to give the boy in school more than the theory of the great subject as a foundation. We as agents must assist with the practical side or the whole will fail.

A good AGENT DESERVES A good Company

The Automobile
Underwriters
Insurance
Company
is a good
Company

Automobile Insurance Exclusively

Several of our officers were formerly Local Agents. We know the Agents problems. We offer you an understanding and really helpful Service. Let us get acquainted with you. We may be mutually helpful.

Licensed in
Texas
Oklahoma
Louisiana
Arkansas
Colorado
Missouri
Tennessee
Illinois and
Pennsylvania

AUTOMOBILE UNDERWRITERS INSURANCE COMPANY

DALLAS, TEXAS

J. G. WEBSTER
President

G.W. BAILLIO
Vice Pres. & Gen. Mgr.

C. PERRY
Secretary-Treasurer

Indiana Agents' New Head Well Qualified

Atwood L. Jenkins was not present Tuesday when he was elected president of the Indiana Association of Insurance Agents, but he arrived on Wednesday afternoon. Mr. Jenkins has been an active factor in the Indiana association since its organization, serving two years as secretary and almost continuously being a member of the executive or other important committees. It is particularly gratifying to the membership to have him in the office of president and on two or three previous occasions heretofore it was attempted to persuade him to accept the office. With the legislature in session this will be an important year for strong leadership the members feel.

MANY PROMINENT SPEAKERS AT SOUTH DAKOTA MEETING

At the annual meeting of the South Dakota Association of Insurance Agents to be held in Rapid City next Tuesday, the organization will have the pick of a



E. M. ALLEN
Former President

number of prominent speakers. The meeting will be held at the same time as the National Convention of Insurance Commissioners, which will be meeting in Rapid City. Secretary Walter H. Bennett of the National Association of Insurance Agents will accompany the commissioners to Rapid City and will speak before the South Dakota agents. One or two insurance commissioners will be asked to speak and probably others attending the commissioners' meeting. Secretary J. J. Dux of the South Dakota Association was in attendance at the West Baden meeting this week. It may be that the South Dakota agents will hold an evening meeting next Tuesday.

Papers Brought in Airplane

The "Insurance Field" published its daily edition in its own printing plant at Louisville and had the papers conveyed to West Baden by airplane. The pilot landed back of the hotel on the golf course in excellent form. Players on the golf course noticed the airship overhead and watched the skillful landing. John C. Leissler of the Chicago "Journal of Commerce" covered the convention for his paper and had copies handed out to the members as they entered the dining room in the morning.

Birmingham Seeks Meeting

Birmingham, Ala., is seeking the mid-year conference. Charles L. Gandy, president of the Alabama association; T. Anglin White, former president, and H. B. Thompson, president of the Birmingham Fire & Casualty Exchange, put in many good looks for their city in this connection. Mr. Gandy is a member of the National executive committee.

Quartet of Prominent Speakers on Thursday Afternoon Program

THE Thursday afternoon session was an outstanding one in many ways.

There were four men each eminent in his special line who came to the convention to give a talk. They were greeted by an appreciative and enthusiastic audience. The quartet consisted of Glenn Griswold, editor of the Chicago "Journal of Commerce"; Frank J. O'Neill, president, Royal Indemnity; William P. McCracken, assistant secretary of commerce, and Horatio Barber of Barber & Baldwin, New York City, who specialize on aviation insurance.

Mr. Griswold said that there was a great necessity for insurance to seek the favor of the public because it was of all the great businesses the most easily socialized. Recent developments in Massachusetts over the automobile compulsory law point out the danger of state insurance because he thinks that Massachusetts is headed that way in its compulsory automobile plan. Once the state takes over an industry he said it is almost impossible to recover it for private enterprise.

Public Utility Concerns Changed Sentiment

He referred to the fact that some years ago public utility corporations offered a most unattractive field for investment, because of public hostility. The public utility companies through a great experiment in education, nationwide in its extent, succeeded in restoring public confidence and gaining the favor of the people. Mr. Griswold emphasized the need of claim departments of insurance companies assuming a friendly attitude toward the people with whom they come in contact. He believes that many such departments are destroying public good will. He thinks that the claim attorney or manager should be made a part of the general management and brought into conference on all important phases of the business. The insurance people, he said, should give more attention to contacts with the public.

Competition he thinks will be keener because a number of new insurance enterprises have entered the field, backed by substantial resources. He deplored the fact that insurance had been the victim of the promoter and many people fleeced.

O'Neill's Football Days Recalled by Harrington

President Harrington in introducing Mr. O'Neill referred to the fact that the season of insurance conventions and football games had arrived. Mr. O'Neill in his younger days was a famous football coach. As "Buck" O'Neill every fall saw him on the football field coaching Colgate, Columbia or Syracuse. When Mr. O'Neill arose he said that he had led a dual existence. He was "Buck" O'Neill on the football field and Frank J. O'Neill as the attorney and insurance man. He said that he was proud of his nickname and urged people to call him "Buck." He said that when he went to New York he hoped to become a great trial lawyer as he had had experience in that line in Syracuse. After looking over a few New York City juries, he said that he changed his mind.

Secretary Walter E. Bennett introduced Mr. McCracken. Mr. McCracken was formerly an attorney in Chicago. Mr. Bennett was an attorney at Quincy. The latter said that it would be more appropriate to say that he was practicing law in Illinois and Mr. McCracken in Chicago. Mr. McCracken is secretary of the American Bar Association. In order to reach West Baden and keep his appointment he had to do some strenuous work. He is in charge of aeronautics in the Department of Commerce. He had an engagement at Los Angeles, flew part of the way over the continent in order to be at Asheville

Wednesday and flew from Louisville to West Baden arriving a short time before he was called upon to speak. He made a most excellent impression with his broad smile and wholesome manner of speaking.

Shows Developments in Air Industry

Mr. McCracken said that air mail has developed rapidly. In spite of the heavy July business the August air mail was more than double that of July. The aerial express is now developing to very handsome proportions. Passenger business is growing, especially in connection with the mail lines. Some planes are carrying only passengers over definite routes. There is much flying being done along special lines such as aerial photography, advertising, barnstorming exhibitions, forest observation, etc. Sport flying for recreative purposes is being indulged in.

Mr. McCracken said that the future of aviation depends on government policy and economic facts. The United States has refused to subsidize civilian aeronautics. It is endeavoring to supervise and regulate interstate flying to the best of its ability. Engineers are making tests of planes and all interstate aviators must have federal licenses. Safety aids are being developed and airways are being lighted.

Five Elements by Which Success Can Be Gauged

Mr. McCracken said that the five factors by which the success of any transportation system can be gauged are speed, safety, reliability, comfort and cost. From the safety angle he described some of the new devices now being developed along that line, and particularly the radio beacon, by which he declared the greatest hazard in flying will be solved. He said that the government is interested because aviation is being developed into a great transportation system and naturally a government that is interested in its citizens is interested in anything which will speed up business. The national defense also requires adequate aerial protection. Illustrating the way in which air travel has been speeded up in this country, he pointed out that eight years ago the winner of the Pulitzer trophy race made less than the top speed now achieved by tri-motor planes carrying 14 passengers.

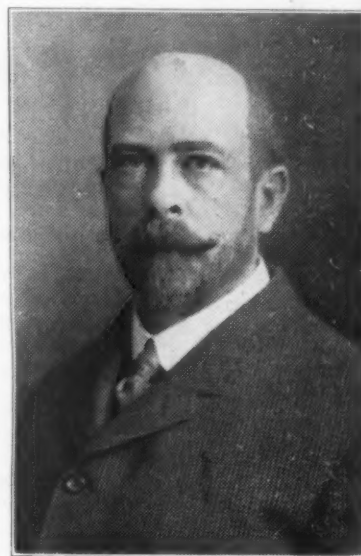
Factors of Reliability, Comfort and Cost Considered

On the question of reliability he cited the records made by some of the present lines in reaching their destinations on time, and said that while there is no form of transportation that is not subject to delay, aviation will rank with the best of them in that respect in a short time. While most of the ideas for airplane construction prior to this time were obtained from war planes, which were not made for the comfort of the fliers, the modern passenger plane with its upholstered seats is more comfortable than a train. While it is still the most expensive mode of travel, he declared that it is worth the price and that eventually the rates will drop well below 10 cents a mile. He said that aviation is going to play an important part in world trade. It offers a new field for business and he urged the agents to make extensive use of the air mail, telling how many of them are now doing so to great advantage.

Mr. Barber is the pioneer in aviation insurance. When he lived in England he prepared the first policy for London Lloyds. His firm is recognized as an authority on this class of indemnity. He has a broad English accent. He gave some practical ideas to the agents which they can put to good use.

Prizes Awarded in Golf Tournament

The prizes for the golf tournament Wednesday afternoon were awarded in the evening after the adjournment of the executive session. Herbert L. Barr of Indianapolis won the first low gross and Alvin S. Keys of Springfield, Ill., the second. The winners on the blind par were T. Anglin White of Alabama; James L. Case of Norwich, Conn.; W. E. Walls, Bedford, Ind.; George Graham, Kalamazoo, Mich.; E. F. Brand; George E. Haas, Cleveland; Theo. Ernest, Milwaukee, and James A. Hudson, Helena, Ark. The Home of New York prize was won by Joseph H. Gausepohl, secretary of the Kentucky association. The prize donated by Fred Robertson, Indiana state manager of the Fidelity & Deposit, was won by A. W. Neale of Cleveland. The jackpot prizes, contributed by company men, were won by K. E. Simpson, President Spencer Welton, New York



A. W. NEALE, Cleveland
Former President

Indemnity; Louis Fischer, Home of New York, special agent in Indiana, and George E. Turner, Casualty Information Clearing House.

Advertising Men Present

There were three prominent members of the Insurance Advertising Conference present, they being C. S. S. Miller, publicity director of the North British & Mercantile; W. W. Darrow, advertising manager of the Home of New York, and C. E. Freeman, advertising manager of the America Fore group. W. W. Ellis, former president of the organization, who was formerly advertising manager for the Commercial Union, was on hand, he being now connected with the public relations committee of the National Board.

President Spencer Welton of the New York Indemnity arrived Monday night during the time of the get-together dinner. He was one of the golf prize winners.

J. Roy Donahue, superintendent of agents of the Pennsylvania Surety and E. M. Linville, superintendent of agents of the Eagle Indemnity, mingled with the crowd.

As the years go by, members of the National Association of Insurance Agents appreciate the fact that Secretary Walter H. Bennett is the right man in the right place. He is the center around which the machinery runs. It was largely through his work that the West Baden program was so successfully developed. Mr. Bennett is conservative, a good counselor and resourceful.

Good Faith

ACROSS the face of every policy we issue is the unwritten endorsement—Good Faith.

Good Faith is the most precious element in all human association, the priceless foundation of every worthy business.

Without Good Faith the clearest contract is but a scrap of paper; with it, a scrap of paper becomes a bond.

Good Faith makes Individuals honorable, Corporations generous, Nations great. To be just is not enough—Good Faith is better than its word, standing behind the spirit as well as the letter of its agreements.

Insurance based only on the written contract gives literally what is paid for—a minimum. Insurance written and interpreted in Good Faith gives more than is bargained for—generous and understanding treatment.

Behind the policy of a Corporation stand the men who direct its destiny. When the guiding principle of these men is Good Faith the Corporation becomes an instrument of human betterment.

The Corporation whose policy is Good Faith gives the lie to the saying that Corporations have no souls.

BEHIND EVERY METROPOLITAN POLICY STANDS THE MASTER POLICY—GOOD FAITH.



Chartered 1874

[Signature]
President

CHARTERED 1874

**THE METROPOLITAN
CASUALTY INSURANCE CO.
OF NEW YORK**

HOME OFFICE, 55 FIFTH AVENUE

Newark Branch Office	New York Branch Office	Brooklyn Branch Office
MILITARY PARK BLDG.	80 JOHN ST.	16 COURT ST.
Henry P. Reardon, Mgr.	John R. English, Mgr.	Carl J. Stephen, Mgr.

Colorful Scene Is Presented at First Convention Session

THE opening session of the National Association of Insurance Agents at West Baden Springs, Ind., started with W. B. Calhoun of Milwaukee, official song leader, getting the early people stirred up by congregational singing. At the opening session a number of the wives of officers, members of the executive committee and speakers were present to add color to the proceedings. A. W. Neale of Cleveland, former president, sat on the platform and presided during the time President W. Eugene Harrington gave his report of the administration.

This year the proceedings were changed in that but few committees and officers made reports. The president's report was a composite, bringing out the various activities of the organization during the year and therefore combining in one presentation the more important issues that had engrossed the minds of the management. Mr. Harrington, a man of splendid presence, keen mentality and pleasing appearance, attracts attention when he speaks. He can be heard easily. There is a depth of sincerity in what he says that gives a fine flavor to his expression. He stated that one of the most gratifying features of the year was an increase of 1,634 new members.

Neale Said Young Men Are Carrying On

Following Mr. DeVan, Mr. Neale said that when E. C. Roth of Buffalo retired as president he was the last one of the so-called "old guard" to occupy that position. He said that the veterans wondered who was to fill the presidential office with distinction thereafter. He acknowledged that younger men had been called to the high position who had carried the work along beyond all expectations and hopes of the "old guard."

R. P. DeVan of Charleston, W. Va., chairman of the executive committee briefly outlined the convention theme, "Business Development." He said that agents must be able to meet all demands of the day and render the most efficient service. Hence they must keep abreast with the times and be prepared for any contingency.

Advertising President Makes an Address

Charles C. Younggreen of Milwaukee, president of the International Advertising Association and a member of the advertising agency of Klau-Van Pietersom-Younggreen, spoke on "Business Development Through Publicity." Mr. Younggreen's talk was profound and rather academic. Again it demonstrated the fact that while a general advertising man may be very efficient in his own work he finds it difficult to give practical advice as to how local agents can best advance their cause through publicity. It appeared that Mr. Younggreen felt he was talking to company officials, as frequently he referred to "your agents" or "your brokers."

He said that advertising must be based on something that has value. It must improve existing conditions. The same principles that apply to material goods apply to insurance from a publicity standpoint. In days gone by he said there was little connection between production and distribution. Advertising was applied solely to the latter. Industry, he said, has been reorganized and standardized. There has been a coordination of all factors to bring about an economic balance. Advertising he said has helped in this work. It has taken a part in improving the situation in all departments of a business. Advertising to be effective he declared must follow an investigation of the conditions that are present in an organization and

must take into consideration a definite program of progress and development.

When an article will not sell itself but needs explanation and interpretation a skilled salesman is needed. Mr. Younggreen said that he had found too many insurance men unable to answer pertinent questions regarding their own business. A salesman, he asserted, must know his goods thoroughly, how they are made, what is in them, what they will do and how to apply them. He decried the part time salesman. He said a poor salesman can ruin any advertising plan.

He believes that but few business men understand insurance. They need to be enlightened. Advertising alone will not do the work but it can supplement or introduce the personal explanation. The intelligent policyholder wants his insurance agent to be his advisor. Insurance salesmen, he said, deal with contingencies, with the invisible and with the unexpected. Hence it takes an astute and trained salesman to bring the picture properly before the prospect.

Country Needs Short Intelligible Policy

Mr. Younggreen in a rather subtle way criticized the various provisions, conditions and exceptions in the modern insurance policy. Paraphrasing a famous saying of the late Vice-President Thomas R. Marshall he said: "What this country needs most is a good, short, intelligible insurance policy." He thinks there is too much phraseology in the existing form. It is hard to understand. The average man in reading a policy, he contended, gets the impression that the document says "Don't try to beat me for I have my eye on you."

Insurance, Mr. Younggreen said, does more than pay a loss. It enables a man to protect himself so that he can launch out farther from home. It gives him credit stability. He can take part in larger areas of usefulness. A policy should mean more than mere indemnity. Premium payers, he declared, should realize the greater scope and value of insurance. It will give it a better standing. Insurance, he thinks, calls for better trained salesmen. Advertising alone would not sell insurance but it helps promote the sale. The advertising must be followed up by the personal call. He thinks that some advertising done by insurance companies in the public press is pretty much of a waste of money. Insurance publicity he said must be applied internally as well as externally.

U. S. Chamber Work Explained by Cunneen

Terence F. Cunneen, the new manager of the insurance department of the United States Chamber of Commerce, made his first appearance before the agents' organization. He explained largely the mechanics of the United States Chamber, its organizations and told what the insurance department is trying to do. R. P. DeVan is the representative of the National Association of Insurance Agents on the advisory insurance committee of the National Chamber. He said that the National Chamber is very much opposed to the government encroaching on private business. Another point driven home was that the organization feels that compulsory automobile insurance legislation will not afford a proper remedy for a situation that undoubtedly needs attention.

St. John Gave Some Points to the Local Agents

E. A. St. John, president of the National Surety, with Vice-President E. M. Allen and C. H. Burras of Chicago, head of the agency there, as official body-

RE-INSURANCE CORPORATION OF AMERICA

Treaty and Facultative Fire Reinsurance

Capital and Surplus, Jan. 1st, 1928, \$1,324,348.38

HORACE R. WEMPLE, President

84 William St., New York City

To Serve Local Agents

Not to Compete with Them

That is the Purpose of Our Branch Offices

CHICAGO BRANCH
Frank C. McVicar, Mgr.
1727-9 Illinois Merchants Bk. Bldg.
Chicago, Illinois

DETROIT BRANCH
George L. Hughes, Mgr.
2317 First National Bk. Bldg.
Detroit, Michigan

INDIANAPOLIS BRANCH
Geo. C. Moore, Mgr.
800-801 Fletcher Sav. & Tr. Bldg.
Indianapolis, Indiana

KANSAS CITY BRANCH
F. X. McGrath, Mgr.
1100 Federal Reserve Bk. Bldg.
Kansas City, Mo.

NEWARK BRANCH
Frank J. Burns, Mgr.
313 Military Park Bldg.
Newark, New Jersey

NEW ENGLAND DEPARTMENT
Percy G. Cliff, Res. Vice Pres.
40 Broad Street
Boston, Mass.

PACIFIC COAST DEPARTMENT
Vernon G. Peirson, Vice Pres.
Standard Oil Bldg.,
San Francisco, Calif.

PITTSBURGH BRANCH
George T. W. Maddox, Mgr.
1008 Columbia Bank Bldg.
Pittsburgh, Pennsylvania

SOUTHERN CALIFORNIA BRANCH
J. H. Russell, Mgr.
724 S. Spring St.
Los Angeles, Calif.

SOUTHERN DEPARTMENT
Beale Travis, Mgr.
228 Hurt Bldg.
Atlanta, Georgia

TEXAS BRANCH
P. H. Moore, Mgr.
715-716 Republic Bk. Bldg.
Dallas, Tex.

WASHINGTON BRANCH
W. M. Kroll, Mgr.
203 Albee Bldg.,
Washington, D. C.

*Agency Contracts Available Where We Are Not Now Represented.
Correspond With Nearest Branch or Home Office.*

DETROIT FIDELITY AND SURETY COMPANY
DETROIT, MICHIGAN

HOMER H. McKEE, President

guard, appeared as the representative of the International Association of Casualty & Surety Underwriters, of which he is president. He made his hearers gasp when he stated that the underwriting loss on compensation insurance for the five years ending 1927 was \$58,000,000 on \$800,000,000 premiums collected. He said that it is unthinkable that an industry can be expected to continue under such a load.

Mr. St. John emphasized the fact that most concerns carrying fidelity and surety bonds are underinsured. Of the \$100,000,000 premiums collected on this class last year one-third of the amount came from New York City, which shows what can be done when effort is concentrated. He urged agents to make a drive on unwritten lines, the most fruitful of which would be those of people underinsured.

Returns from the Bankers Blanket Bond

He said that when the bankers blanket bond was introduced it was not received with favor by the agents. They had been receiving 30 percent commission on fidelity bonds written for banks and on the blanket form only 15 percent was paid. Wide awake agents he said, however, started out with a right good will to sell blanket bonds to banks.

They found that they could increase their business very materially by this form. Last year he said there was \$15,000,000 collected on blanket bond premiums. Mr. St. John is a forceful and impressive speaker. He was formerly in the field, being head of Joyce & Co., of Chicago, managers of the National Surety.

Maj. C. R. Morgan, president of the Charleston, W. Va., Board, who was formerly in charge of the insurance department of his state, is a massive man physically and mentally. His paper on "The Agent of Tomorrow" brought out the demands that are to be made on insurance salesmen of the future. They must be competent to handle complicated contracts and assume large responsibility. Major Morgan elicited applause when he said that in order to give the best service insurance salesmen must be given a commensurate wage.

D. J. O'Keeffe of Fort Wayne, Ind., regional vice-president of the National association, took a few moments to talk about the production of fidelity and surety business.

J. K. Shepherd of Little Rock, Ark., was present as the representative of the Association of Fire Insurance General Agents.

Points Made on Writing of Fidelity and Surety Bonds

AT THE morning session the first day D. J. O'Keeffe of Fort Wayne, Ind., opened the discussion on production of fidelity and surety business. This proved to be the most interesting part of the morning program. Unfortunately the adjourning time was near and it had to be cut short. Mr. O'Keeffe called attention to the difficulty in securing contract bonds. Contractors are under political obligation and feel they must pay them. Sometimes employees or a relative of a contractor are appointed as agents and get the commission. There is frequent rebating in order to swing a contract bond. Mr. O'Keeffe suggested cultivating the owner of the property who really has to pay for the bond.

He said that the plans and schedules of the work should be studied by a competent and well informed agent, who can ascertain whether hazardous features might be removed or modified and be entitled to rate credit. In other words Mr. O'Keeffe urged that an agent run the insurance errands of the owner.

He stated that an effort should be made to have the owner insist on corporate surety. He said a good plan would be to get the financial statements of the contractors in a community and thus have full information so that action can be taken on short notice. If an agent has the good will of the owner, Mr. O'Keeffe said it would go a long way in getting the business.

Mr. O'Keeffe urged agents to use the blanket bond form for commercial risks. Its coverage and cost should be compared with the old fidelity schedule. If this be presented to a customer he will see its advantage. He said that the ap-



D. J. O'KEEFFE, Ft. Wayne, Ind.

TO THE NATIONAL ASSOCIATION OF INSURANCE AGENTS GREETING:

THE accomplishments of this Convention reflect credit upon your organization and the entire institution of Insurance.

OUR very good wishes for the continued success of the Association and the personal happiness and welfare of the individual membership.

THE WESTERN FIRE INSURANCE COMPANY
THE WESTERN AUTOMOBILE CASUALTY COMPANY
THE WESTERN AUTOMOBILE INSURANCE COMPANY
FORT SCOTT, KANSAS

plication of the blanket form to commercial houses means progress and liberality.

A. S. Galland of Wilkes Barre, Pa., president of the Pennsylvania association, threw a bomb shell in the meeting when he declared that rebating and grafting in the handling of contract bond business indicated that the commission on large bonds is too much. He said that when a high commission is paid it inevitably leads to grafting. He thinks the commission basis is wrong. If companies can pay the commissions they do and agents can rebate there is something out of the way with the compensation paid. He declared that the contract bond business is doing much harm in the agency field.

George M. Graham of Kalamazoo, Mich., took very emphatic exception to Mr. Galland's remarks. He said that if any agency gave the contract bond subject proper study, if it be well prepared to handle this business and render the best service, the commission is not excessive. He said that an agency should make an intelligent analysis of the needs of the public and the contractor. There are bad practices in all lines of insurance and they cannot be cured by reducing commissions, he thinks.

Mr. Graham said that his agency is represented at all the lettings in the southern peninsula of Michigan. It has a list of all the contractors doing work in that section. When a piece of work is to be done his agency finds out the type and the requirements. It knows the capacity of contractors who do various kinds of work. His office keeps the contractors informed as to work that is to be done. It counsels the owners on proper procedure. It gathers information as to where machinery or special equipment for particular lines of work can be gotten. If this service is given, Mr. Graham said that competition is pretty much eliminated.

Only Casualty Company Chartered in District of Columbia
Virginia And North Carolina Agents
We Specialize On "Service To The South"

JOSEPH A. BURKART, President.

SPENCER B. CURRY
 Vice-President
 CHARLES D. HAMEL
 Vice-President
 GEN. ELI A. HELMICK
 Treasurer
 J. H. ANDES
 Agency Superintendent



FREDERICK N. ZIHLMAN
 Secretary
 DR. DANIEL G. DAVIS
 Comptroller
 G. H. HEIDE
 Auditor
 ROBERT W. GREEN
 Supt. of Claims

WASHINGTON, D.C.

**FIRE AND
 TORNADO
 INSURANCE**

**AUTOMOBILE
 ALL COVERAGE**

**PLATE GLASS
 INSURANCE**

Organized under the laws of the District of Columbia, entirely officered, and largely owned by persons actively interested in the National Capital, announces the expansion of its business to include the States of Virginia and North Carolina.

Great National Insurance Company features a 12-point Automobile, all coverage insurance, in one policy.

We are open for Desirable Agencies.

GREAT NATIONAL INSURANCE COMPANY
 Denrike Building Washington, D. C.

**PUBLIC
 LIABILITY**

Including

Owners, Landlords and
 Tenants,
 Manufacturers Public,
 Contractors Public,
 Automobile Garage,
 Employer's.

Departments Headed by Men Who Have Been on the Firing Line with the Agent

ORGANIZED 1883



**YOU CAN
 Recommend
 SECURITY FIRE**

Because

—during its forty-five years of business activity, the Security Fire Insurance Company has always held its agents' and policyholders' interest above everything else.

—it has a constantly growing family of policyholders who are boosting the company.

—its financial strength stands for permanency.

SECURITY FIRE INSURANCE CO.
DAVENPORT, IOWA

Frank O'Neill's Automobile Comment

FRANK J. O'NEILL, president of the Royal Indemnity, gave one of the most forceful, useful and far-reaching addresses of the convention. The local agents of the country had not had the opportunity of listening to Mr. O'Neill before. They did not realize his resourcefulness, his analytic mind and

but that the public is suspicious of insurance. Customers, he said, have implicit confidence in the agents. They insure with a man rather than a company. The most insidious factor working in the insurance field today, he believes, is the lack of cooperation between the companies and the producers. It is being reflected in the public attitude toward insurance.

Casualty Business Has Grown Rapidly

The casualty business has grown to enormous proportions in a few years. Last year the premiums on this class amounted to \$600,000,000. A few years ago fire insurance was the leading class. He said that when the Royal Indemnity was organized the parent Royal Insurance Company directors hoped that in a few years the new company would be able to develop \$1,000,000 to justify the capital that had been put in it. In 15 years' time, he said, the Royal Indemnity had outdistanced the Royal in amount of premiums in this country. The same progress cannot be made during the next 15 years. There will be keener competition. Agents, he thinks, do not understand the rate making process. He said he sat in the office of the Wisconsin insurance commissioner when one of the most prominent agents of the state called up the official, urging him not to approve the new automobile liability rates. The New Hampshire agents, he declared, opposed the new rates there, bringing about litigation and a most hostile attitude on part of the insurance department. This antagonistic course of local agents attempting to defy the companies, he declared, is a menace.

He said that the companies are al-

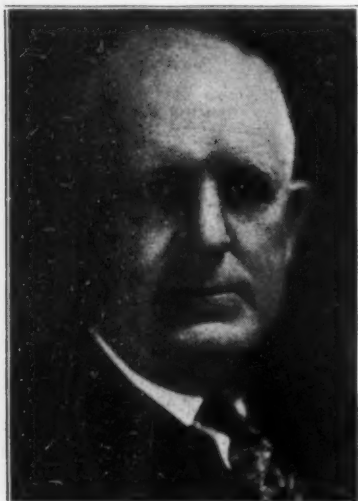
lowed 2½ percent profit. He does not think there is any other business that could operate on so small a margin. The agents feel that interest on reserves should enter into rate making calculation. Mr. O'Neill said that it is a factor. As a basis the companies use the pure premium or loss cost. It is loaded 25 percent for production cost, 9 percent for claim cost, 8 percent for administration cost, 2½ percent for taxes and 2½ percent for profit. The companies have to put up 50 percent of the total premium as a reserve before it is collected because agents have 60 days in which to remit. The agents' commission is deducted but the company puts up the reserve on the full premium.

Companies Cooperating for General Good

Mr. O'Neill said that there are 30 leading companies banded together, pooling their experience and getting the information and data necessary for scientific rate making. These companies are agency companies. They believe in the agency system. Cut rate companies wait until the bureau companies get out their rates and then cut under these sufficient to attract business. They pay nothing for the work of the bureaus, which are doing a great work in the collection, assimilation and distribution of rate making information. The mortality of these cut rate companies, he said, is very heavy. He remarked in passing that it is unfortunate that all such corpses could not be buried in one graveyard, so that the public would have a graphic illustration of the danger of having insurance in such institutions.

Mr. O'Neill said that agents should familiarize themselves with the elements

that go to make up rates so that they can defend the course of their companies and explain to the public why rates are what they are. He said that when the compulsory act is passed in Massachusetts it was found that only 35 percent of the automobiles were insured. This fact together with the mys-



FRANK J. O'NEILL, New York City
President Royal Indemnity

his penetrating insight into business and insurance conditions. He is a man of vigorous mentality who puts his message across in a way that carries conviction. He said that there is no doubt



J. HEBER HUDSON, Chicago
Illinois Chamber of Commerce

tery and suspicion about insurance undoubtedly brought about the passage of this law. He said that automobile accidents had increased in Massachusetts since the law went into effect and claims had increased. There are hun-

THE STANDARD FIRE INSURANCE COMPANY OF NEW JERSEY, TRENTON

1868

1928



WE extend sincere felicitations to the Agents, the men who make splendid insurance companies possible, and successes inevitable. And had there been Agents' Conventions fifty years ago, the Standard would have extended the same greetings.

To build successful agencies and to give those agencies unstinted support is and always has been one of the main planks in our platform of insurance co-operation. We reserve the right to serve our agents cheerfully and whole-heartedly at all times.

The American Guaranty Co.

J. B. COAMBS, President

Automobile
Insurance

Fire, Theft
Liability
Property
damage
Collision



BONDS

Fidelity
and
Surety

HOME OFFICE—COLUMBUS, OHIO

Desirable Agency Territory Available in Ohio, Indiana and West Virginia

“to boot”

WHEN a local agent accepts the supplies of the Home Fire and Home Accident Insurance Companies of Little Rock, he not only gets a complete multiple line insurance service but he gets something else to boot—

Our free sales promotion service to our local agents includes:

Window Displays Movie Slides
Newspaper Ad-copy Prepared Circulars
House Organ Blotters

When You Use Them a Month You Can't Do
Without Them

SOUTHERN AND WESTERN STATES

HOME

INSURANCE COMPANIES

Fire--Accident--Life

Little Rock,

Arkansas

The Fidelity and
Casualty Company
of New York

ROBT. J. HILLAS, President

CASUALTY INSURANCE
AND
SURETY BONDS

dreds of thousands of dollars of unpaid claims. He said that even the rates advocated by former Commissioner Monk were not adequate.

This is a time, Mr. O'Neill said, when insurance men need to do some straight thinking. He deplored the fact that one company following Mr. Monk's resignation wired the Massachusetts governor that it would no longer write automobile insurance in his state. That kind of action, he said, only convinces the public that there is something wrong with insurance and the companies are trying to browbeat the people.

State Insurance in the Offing

Unless the Massachusetts situation is handled wisely state insurance will follow. If the companies refuse to write business with the old rates in effect the state authorities would declare that inasmuch as the insurance interests could not force the action they desired they would not play and withdrew from the state. That sort of attitude, he said, only creates deeper prejudice.

The mutuals, he said, are cooperating with the stock companies in an effort to find a solution in Massachusetts. They have employed eminent counsel who gives an opinion that there are no legal rates in the state because none were promulgated by Sept. 1. This attorney declares that the companies will have to mandamus the commissioner to put the old rates into effect in order that they can write business under the law.

Bureau Companies Have Marked Time

Mr. O'Neill said that the companies belonging to the National Bureau of Casualty & Surety Underwriters simply marked time until there was sufficient experience under the Massachusetts law to teach a real lesson. The situation that has developed there is more chaotic than was anticipated.

Mr. Monk said that it is clearly up to the companies and agents to get more people carrying liability insurance. He said that the flood light of publicity should be turned on those who do not carry insurance. Some have advocated having above the license plate the words either "insured" or "not insured" according to whether the owner carries insurance or does not.

The first six months of this year showed 13,000 fatal automobile accidents and a total of 400,000 automobile accidents. In spite of the increase in number of accidents, claim costs, etc.,

the average rate has been reduced. In 1911 the countrywide rate for liability insurance on a Ford car was \$25. The average rate in 1927 was \$22.50. In some cities the rates are very high. In New York City if a Ford owner carries fire, theft, full collision, property damage and \$10,000-\$20,000 liability limits the cost is \$362.50. There have been some suggestions made as to what might be done. He referred to giving more publicity to uninsured owners. A partial payment plan for meeting premiums has been suggested. Some believe that a man who has had no claims should be given a credit and a penalty should be provided for those who have claims.

Old Time Limits Are Regarded Obsolete

The old time \$5,000-\$10,000 limits are obsolete. The extra cost for higher limits is comparatively little. He advocated selling liability insurance without limits. An effort should be made, he said, to decrease accident frequency and claim cost. Experimental laboratories might be provided so that tests could be made of bumpers, lights, tires and any other feature that enters into automobile accidents. There should be more uniform traffic regulation and greater rigidity in enforcing it. He thinks that the bureau should have a fleet of experts who could go to any locality where rates are high, analyze the situation and show business organizations and city authorities how conditions could be improved and the loss ratio reduced.

Company Headquarters Conspicuous by Absence

At the West Baden convention the absence of company official headquarters that heretofore have been a conspicuous feature at national gatherings was noticeable. Companies themselves have questioned the desirability of having headquarters, as they did not find sufficient interest unless the entertainment partook of a liquid nature. At the annual meeting of the New York state association in Syracuse, Eugene A. Beach, publicly criticized companies for having headquarters at these meetings and providing refreshment that carried over far into the night. The general impression is that the interests of the convention would be best served by not having these headquarters.

No Fire Company Officials on Agents' Program as Speakers

PRESIDENT Harrington at the first session read a prepared statement that was unusual, in commenting on the program. He called attention to the fact that there was no fire company speaker. The casualty and surety people were represented but fundamentally the agency association started as a fire agents' body. Some members evidently felt that the fire company officials were voluntarily staying away from the organization and refused to speak for a reason. This does not appear to be so. The Western Union was holding its meeting at Manchester, Vt., at the same time. Many western managers had planned to attend the West Baden meeting until they found the dates conflicted. Most of the eastern officials felt impelled to attend the Western Union meeting. Owing to the absence of managers at the Manchester meeting, assistant western managers were compelled to remain at their desks.

Among the company officials present were Vice-President R. H. Williams and Assistant Superintendent of Agents W. C. Kirkland, Travelers Fire; E. E. Soenke, secretary Security Fire of Davenport; W. H. Riker, assistant western manager, North America; Horace W. Boyd, assistant manager Royal; H. M. O'Brien, president Chicago Fire & Marine.

Harrington Reads an Explanatory Note

Mr. Harrington in making his statement, said:

"It has probably been noted that fire insurance is not represented on our program. I have been asked if any significance attaches to that fact. I can only answer that failure of this great branch of our business to be represented is not owing to lack of any effort on our part. Invitations were extended to several fire insurance executives to address this convention, but in each instance they were regretfully declined for reasons beyond their control. We then suggested to officials of the Eastern Underwriters Association that we wanted to afford that organization an opportunity to present to this convention the aims and purposes of that or-

ganization, particularly as regards the proposed plan of general cover contract dealing with chain store coverage.

"Also, we had hoped that our efforts to coordinate the efforts of agents and companies would meet with a response of the company organizations. The association is always desirous of meeting companies half way in hearing their problems and pledging our cooperation in their solution and we regret that the fire insurance interests have not so readily responded to our invitation as have other lines of insurance represented on this program. This statement is made in explanation of a regrettable omission from our deliberations."

New Secretary for Pennsylvania Agents

Frank D. Moses, formerly special agent of the National Union in Indiana and Illinois, has been appointed secretary of the Pennsylvania Association of Insurance Agents. Since early this year Mr. Moses has been engaged in promotion and advertising work for "Rough Notes" of Indianapolis, a line of work which he has conducted successfully for two or three other concerns outside the insurance business.

The appointment was made by officers and members of the executive committee of the Pennsylvania association, following an interview at West Baden, where they were attending the National association annual meeting. Among these were A. S. Galland, president; W. W. Multer, Wilkes-Barre; John S. Burwell, Scranton; H. E. McKelvey, Pittsburgh, and Henry Schmid, Wilkes-Barre. The Pennsylvania association has some 500 members, and with a full-time secretary it is confidently expected the membership will be largely increased. Mr. Moses will make his headquarters at Harrisburg.

Miss Julia Hindman, secretary of the Tennessee association, attends the National conventions regularly. "Miss Julia," as she is familiarly called, has hundreds of friends in the organization throughout the country.

**IN THESE DAYS OF
COMBINATION AND AMALGAMATION**
a few of the progressive and far-seeing
companies ARE DECENTRALIZING

and placing Home Office Service at your very door as typified by

KANSAS UNDERWRITERS

General and State Agents, Wichita, Kansas

SIX HUNDRED PROGRESSIVE AGENTS INVITE YOU

KANSAS

MISSOURI

OKLAHOMA

JOHN C. PAIGE & COMPANY

40 BROAD STREET, BOSTON

115 BROADWAY, NEW YORK

GENERAL AGENTS

Established 1876

ALL LINES WRITTEN
AND BROKERS, ACCOUNTS SOLICITED

SUPERIOR SERVICE

34 YEARS OF INSURANCE SERVICE

TENINGA BROS. INSURANCE AGENCY

ROSELAND INSURORS

10829 Michigan Ave., Chicago

A. J. TENINGA, Mgr.

**GEO. L. MARTINI
CO.**

INSURANCE

Tel. Franklin 4571

222 W. Adams St.

After Oct. 1st, 1928
A-1761 Insurance Exchange
CHICAGO

**ENGELHARD,
KROGMAN
& COMPANY**

We have unlimited facilities for writing all classes of

Insurance

958 Insurance Exchange
Telephone Wabash 2560
CHICAGO

Dependable CHICAGO AGENCIES

—possessing complete facilities for rendering exceptional insurance service to agents and brokers located in or outside of Chicago.

—sincere believers in the practices and principles emanating from this and preceding conventions of The National Association of Insurance Agents.

—desirous of demonstrating their ability to serve you with efficiency and dispatch.

R. W. Hyman & Company

General Agents

CONTINENTAL CASUALTY COMPANY

Telephone Wabash 3860
1903 INSURANCE EXCHANGE
CHICAGO

Telephone Wabash 9436



**H. M. HANSEN
& CO.**



1166 Insurance Exchange
CHICAGO, ILLINOIS

**R. A. NAPIER
& COMPANY**

Established 1893

*Excellent
Facilities*

Real Service

*Representing
Large
Companies*

175 W. JACKSON BLVD.
INSURANCE EXCHANGE
CHICAGO, ILLINOIS

CHAUNCEY B. BLAIR

ARTHUR G. HAILAND

BLAIR & HAILAND, Inc.
INSURANCE

209 W. JACKSON BLVD.

Telephone Wabash 5140

CHICAGO, ILLINOIS

Frederick O'Brien

Harold M. O'Brien

O'BRIEN INSURANCE AGENCY

Chicago Fire & Marine Insurance Co.
 Presidential Fire & Marine Insurance Co. Guaranty Fire Insurance Co.
 Royal Exchange Assurance British America
 Employers Fire Ins. Co. Mechanics & Traders Ins. Co.
 223 W. Jackson Blvd. Telephone State 5230 Chicago, Illinois

**YOUNGBERG
CARLSON
& CO.***Insurance***Unexcelled Service**

175 W. Jackson Blvd.
CHICAGO

**Chicago Local
Agencies**

Are interested in the best and highest good of
the business.

They express their good will and interest to all in
the fraternity. Agents in other cities will find
the offices advertising on this page well equipped
for handling any class of business in the city.
They invite the attention of all their facilities for
dispatching business accurately, satisfactorily and
rapidly.

Established by Wm. E. Rollo
in 1859

*Insurance Agency
of*

**ROLLO, WEBSTER
& COMPANY***Insurance Exchange*

175 W. Jackson Blvd.
CHICAGO

*All Classes of
INSURANCE
Service and Coverage
Anywhere*

TELEPHONE WABASH 3848

JAMES M. NEWBURGER

Newburger and Co.*Insurance**Any Kind—Anywhere*

175 W. Jackson Boulevard
Telephone Wabash 1661
CHICAGO

**Herrick,
Auerbach,
Vastine
& Dudley**

1723 Insurance Exchange
CHICAGO :: :: :: ILLINOIS

**H. DALMAR
& CO.**

Established 1893

INSURANCE

1425 Insurance Exchange
Telephone Wabash 3805

P. B. HOSMER

ROCKWOOD HOSMER

A. J. KUELZOW

R. W. HOSMER & COMPANY

ESTABLISHED IN 1878

Suite 1551-1555 Insurance Exchange, Chicago

One of the Old Reliable Chicago Agencies

ALL KINDS OF INSURANCE GIVEN PROMPT AND RELIABLE ATTENTION IN OUR VARIOUS DEPARTMENTS

Eliel & Loeb Company

Phone Wabash 3961

1737 Insurance Exchange

CHICAGO

General Agents:

Pittsburgh Underwriters	Superior	Republic
Ben Franklin Underwriters	Wheeling	
Washington Assurance Co.		
Importers & Exporters Underwriters	New Brunswick	
Century	British General	Liberty Bell
Union Indemnity Company for all casualty lines		

Chicago Managers
Ten Strong American Companies

BRUMMEL BROS.

Insurance Underwriters

175 West Jackson Boulevard, CHICAGO

Phone Wabash 2056-7-8-9

COMPLETE SERVICE IN ALL LINES OF INSURANCE

INSURANCE
IN ALL
ITS BRANCHES

American National Fire Ins. Co.
Old Colony Fire Ins. Co.
National Reserve Ins. Co. of Ill.

WM. F. JACOBS & CO.

Cook County Managers

Phone Wabash 7827-7828

Room 1868—175 W. Jackson Blvd.
INSURANCE EXCHANGE
CHICAGO, ILLINOIS

Chicago Western Insurance Center

In Chicago are the great western departments, the various insurance associations and bureaus and the large local offices.

Naturally there is business in Chicago that is controlled by agents living in other cities. We will be glad to render assistance to such agents.

When you come to Chicago, go to the Insurance Exchange and call on us. If we can help you with your insurance problems, we will be glad to do so. If we can add to your pleasure while in the city, do not fail to call on us. The tie that binds local agents together is strong. Let us make it stronger.

The Purnell Company

Fire and Casualty Service for Local Agents and Brokers throughout country.

The Purnell Company

1717 Insurance Exchange
CHICAGO

BOSTON INSURANCE COMPANY
COUNTY FIRE INSURANCE COMPANY
NEW HAMPSHIRE FIRE INSURANCE COMPANY
WORLD FIRE AND MARINE FIRE INSURANCE CO.
THE CENTURY INDEMNITY CO.
OLD COLONY INSURANCE COMPANY
AETNA INSURANCE COMPANY

Fred J. Sauter, Manager

Cook County Department
175 W. Jackson Boulevard

Wabash 7800

Chicago, Illinois

CHAS. W. EILS, JR., Pres. HARRY A. LODDING, Sec. A. F. JACOBS, Treas.

Eils, Lodding, Jacobs, Inc.

A-2033 Insurance Exchange

166 W. Van Buren St.

Tel. Harrison 5793

Automobile Underwriters
Retailers Fire Insurance Co.
Hampton Roads Fire Insurance Co.
Hampton Roads Fire & Marine Ins. Co.
Urbaine Fire Insurance Co.
Central Surety & Insurance Corp.
American Casualty Co.
Tokio Marine & Fire Insurance Co., Ltd.
(Jewelry, Furs, Marine.)

Advertising Contest

Awards Announced

The judges of the advertising contest sponsored by the National association, consisting of C. C. Younggreen of Milwaukee, W. W. Darrow, home of New York, and W. W. Ellis, National Board, awarded first prize in local board co-operative advertising to the New Orleans Insurance Exchange and second to the Fort Wayne, Ind., Insurance Club. The Green Bay, Wis., Local Board got honorable mention. For individual advertising Maynard & McMillan of Knoxville, Tenn., received first prize; Hodnett Company of Lincoln, second; Insurance Service Co., of Duluth, honorable mention.

Entertainment Features

A tea and bridge party for the ladies was arranged at the Hoosier Club Wednesday afternoon. There was dancing following the get-together dinner and again on Wednesday evening. While the members were in executive session Wednesday evening the non-combatants danced and awaited the return of those who were at the forefront. On Thursday evening the annual ball took place. Brown's Casino did not open until the day after the local agents' meeting adjourned and therefore those attending the convention were not privileged to visit this famous Monte Carlo. There was a tabloid, so to speak, at the Hoosier Club, where a number of the members charged up profit and loss.

Great American Representation

The Great American group had an impressive battery of field men present, including R. T. Huggard, Ohio state agent; M. C. Buckingham, Indiana state agent; E. A. Scott, Tennessee state agent; A. R. Marks and David Lyman, Illinois state agents, and Eugene F. McAdow of Chicago and E. F. Richards of Detroit, field superintendents.

The Illinois Association of Insurance Agents had official headquarters in charge of President J. M. Newburger of Chicago and Secretary Shirley E. Moisant of Kankakee.

George D. Markham Is Given Woodworth Memorial Award

A MOST absorbing feature of the convention took place at the close of the Thursday morning session. George D. Markham of St. Louis had just spoken. He was asked to remain sitting on the platform. E. M. Allen, former president, stepped before the microphone. Whenever Mr. Allen speaks the members listen. They know that something out of the ordinary is going to be said and done. When there is any sentiment attached to a part of the program, Mr. Allen is a past master in giving expression to the feeling of the occasion.

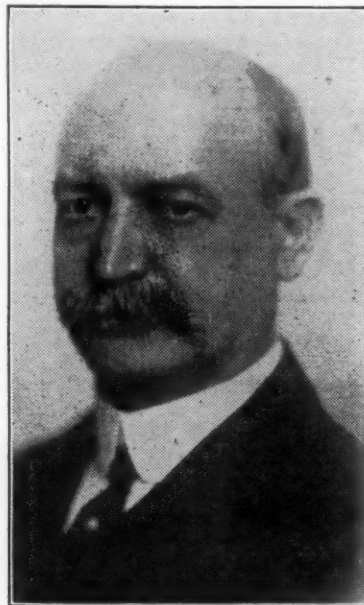
He called attention to the fact that at the memorable meeting in St. Louis many years ago when the so-called "old guard" gave way to the "new guard," it meant a serious wrench because new ways were to be followed and new courses pursued. Mr. Allen called attention to the fact that it was 28 years ago that Mr. Markham was elected president of the National association. He had just been married and his bride was present on that occasion. Mr. Markham was present at the famous meeting in the Great Northern hotel in Chicago when the association was established. He succeeded C. H. Woodworth as president.

Expressed Confidence in New Regime

At St. Louis he expressed his confidence in the new men who were taking the pilot wheel. These men of the Markham era, Mr. Allen said, had never lost touch or contact with the organization. Mr. Markham has been a stalwart. He has given evidence of his devotion to the association in many ways. He is now writing a history of the National association. Mr. Allen stated that the Woodworth memorial committee had decided this year to award Mr. Markham the Woodworth medallion given annually to that member of the association who has made the most outstanding achievement. In view of Mr. Markham's great service to the associa-

tion and his continued loyalty and work, it seemed fitting that the award should go to him, a warm friend of Mr. Woodworth's who fought with him side by side in the early struggles of the association.

It was a fitting tribute to a prince of



WALKER TAYLOR, Wilmington, N. C.
Chairman Legislative Committee

the blood royal and a man who from one year's end to the other has stood for the highest standards of local agency service. It was a moving occasion and throughout the audience sentiment welled up freely in the hearts of the members. Mr. Markham in his feeling response spoke of the intimate friendship he enjoyed with Mr. Woodworth and

paid a tribute to the men who have carried on the work in later years so magnificently.

H. C. Spillman Speaks

Harry C. Spillman of Buffalo, N. Y., representing the Remington Rand Company, made a brief address on "Sustained Organization" in which he stressed the necessity for a business man's keeping everlastingly after gains in this time of unusual competition. In part he said:

"The insurance industry is fabricated upon man-power and your future depends upon the degree to which you can think and talk and act together. All progress begins and ends in the mind. The most important state in the Union is not Kentucky, where I was born, or New York state, where I now reside. The most important state of the Union is the state of mind.

"We are in the throes of a great campaign for the consumer's dollars, bid up by advertising and high powered salesmanship the like of which the world has never seen."

Tuesday's Program

Tuesday's meeting was given over largely to an executive session of the executive committee, to which are invited state officers and in fact any other member of the organization. R. P. DeVan presided over the meeting, there being sessions both in the morning and afternoon. A review of the work is given, the main points considered by the executive committee being brought to the attention of the state officers. Plans for enhancing the value of the association are discussed.

Many Field Men Present

Indiana field men were present at the convention in considerable numbers. Representatives also came from Ohio, Illinois, Kentucky and Tennessee.

Among telegrams read were those from Fred J. Cox of Perth Amboy, N. J., former president; J. H. Johnson, Clarksdale, Miss., former president of the Mississippi association, and one from the Detroit Association of Insurance Agents.

We
Offer
Advantages
in
Workmen's
Compensation
and
Automobile

Established 1885
MEEKER-MAGNER CO.
INSURANCE EXCHANGE, CHICAGO, ILLINOIS
Phones Wabash 0462-3-4-5
General Agents { **The General Accident**
 Potomac Insurance Co.
Agents { **National Fire of Hartford**
SUPER SERVICE

Personal
Accident
and
Health
Property
Owners
Liability
Plate Glass
Steam Boiler
Fire
Tornado

CHARTERED 1865

The Reliable Fire Insurance Company

OF DAYTON, OHIO

A Strong Ohio Company with a Record of more than 61 Years of Honorable Service

FIRE AND TORNADO INSURANCE

W. H. KUHLMAN, Pres. WM. F. KRAMER, Sec'y.

Special Agents for Ohio, Indiana, and Michigan

H. J. FAVORITE and A. R. PREISENDORFER

Gaedke
Miller
Agency

INSURANCE
Surety Bonds

373 Broadway



MILWAUKEE

O. H. GAEDKE, Pres.
A. A. MILLER, V. Pres.
A. L. FISCHER, Secy.

W. B. CALHOUN, President
ROBERT E. HACKETT, Vice President

ALLEN R. CALHOUN, Sec.-Treas

"We Want Your Business"
Calhoun Insurance Agency

Telephone Lakeside 3780

CALHOUN BLDG.
372 FARWELL AVE.

MILWAUKEE, WIS.

Chas. H. Baerwald
Walter H. Hoffman

Calvin W. Ackley
Carl S. Baerwald

Hilbert, Baerwald

&

Hoffman Co.

87 E. Wells Street

Milwaukee

Our reputation is built on
service. Submit your In-
surance Problems in Wiscon-
sin to us.

JOHN F. DUNPHY

RAY H. DUNPHY

DUNPHY AGENCY, INC.

solicits business from agents and brokers.
Wisconsin's fastest growing agency. : : :

369 Broadway

M I L W A U K E E

MILWAUKEE

SOME of Milwaukee's most progres-
sive and dependable insurance
agents and agencies are represented
on this "Milwaukee" Page. They
cordially invite you to use their serv-
ices and facilities. They are deserv-
ing of your patronage.

Milwaukee Agents have always stood
firmly behind the National Association
of Insurance Agents, its principles and
its beliefs. They take this means to
convey to the Association the assur-
ance of their continued support.

ALL
FORMS
OF
INSURANCE

GOTTSCHALK
& **HARGARTEN**

209

WISCONSIN
AVENUE

MILWAUKEE

Theo. Ernst

Austin F. Mueller

Theo. Ernst Co.

**GENERAL
INSURANCE**

205-215 Pioneer Bldg.

383 Milwaukee St. Milwaukee

Jas. B. Leedom Haskell Noyes
A. J. O'Connor Hampton B. Leedom
L. C. Hilgemann R. A. Skinner

**LEEDOM, MILLER
& NOYES CO.**

Insurance

We maintain an efficient
Insurance Engineering and
Inspection Department

450-454 Broadway
Milwaukee, Wis.

CHRIS SCHROEDER & SON CO.

MILWAUKEE

GENERAL AGENTS

ALL LINES OF INSURANCE

86 E. Michigan St.

Tel. Broadway 1951

FIRE

CASUALTY

AUTOMOBILE

Fish and Schulkamp General Agency

MADISON, WISCONSIN

WISCONSIN'S LARGEST BUREAU GENERAL AGENCY

President Combines Two Reports

CONTINUED FROM PAGE 14)

that is done by company offices for the non-policy-writer, for which he deserves greater compensation. Thus our position on the non-policy-writing agent has the support of legal authority. But we desire least of all to establish our principles or contentions by legal opinion or legislative enactments. We want to stay within the business, and there adjust these policies.

Other signs of a day that presages understanding in place of misunderstanding are apparent. Common desires and aims may be the flux. It matters not; the effect is the important thing.

Formerly it was hard for the agent to secure a hearing on sales problems, even though he is the salesman of insurance. It is not especially easy for him to gain a sympathetic ear now. Knowing he is right, however, he shows perseverance. That strange anomaly which excludes the sales force of insurance from consultation with the manufacturing end of the business is doomed.

Agents Have Business Building Ability

The ability of competent insurance agents to build their own business is to the lasting credit and glory of insurance. This is as fine an expression of Americanism or the opportunity of the individual to advance himself as can be found. They are capable men who shoulder the burden of directing their own agencies and the responsibility of looking after the local affairs of the companies. By the ambition they show, the energy they use in furthering these joint interests, the public spirit they display through activity in all forms of civic life, they command a position of respect and confidence in their communities. Thus theirs is an unusual opportunity to gain a knowledge of what the public needs and wants. They are in this respect the scouting forces of insurance. Whatever has transpired in the past, it is time that the companies utilized the knowledge possessed by the agents in all matters affecting their work. We hope the day is soon coming when the agents' advice will be sought; and when it does come the business is going to move forward more rapidly than ever.

Closely allied to sales problems is the relaying of proper information to the agent, to enable him to prepare the public and explain changes that come about of necessity. Again the agent ought to be consulted in advance. New rules and rates cannot be news to him and the public simultaneously without harmful results. To be forewarned is not for the agent to be forearmed, except with the truth. When he has that his work is usually simple. Then, if his opinion has been obtained, the reaction of the public to new rates and rules will usually be favorable.

Governor Al Smith's Acceptance Speech Quoted

Governor Smith of New York, now a candidate for the presidency of the United States, in his acceptance speech last month advanced the idea that "I

am entirely unwilling to accept the old order of things as the best unless and until I become convinced that it cannot be made better. Government policy should spring from the deliberate action of an informed electorate."

We are convinced that the old order in insurance of withholding from the producer the vital information above discussed can be made better; and we have an earnest desire that the members of the National association shall be an "informed electorate" in order that their association and business policies may be framed aright.

Oil Association's Action Is Sharply Criticized

There is another picture, however, that is not so pleasant to contemplate. It is not national, but it involves a violation of a fundamental principle of company-agency relationship. No immediate solution of the issue is in sight. We refer to the drastic action of the Oil Association in reducing commissions to agents by a rubber stamp notice to 10 percent, placing agents on the same basis of compensation as non-resident brokers. What a strange situation this is! A company organization that has no contractual relations with agents informs them that their commissions have been cut from 50 to 100 percent. The excuse advanced is that a loss ratio of 89 percent has been encountered since the Oil Association was organized, and that during 1927 a loss ratio of 127 percent was suffered. Why what should be cared for in the rate is being taken out of the compensation of agents is incomprehensible.

One is led to wonder even more because of the great dependence upon the agents by the companies. The local representatives of insurance are the men who must handle legislation in the states. The great force available to do this work is the state association of insurance agents. Similarly when the companies have any project which depends upon the cooperation of agents for success, the first appeal is invariably made to the organized agents. If the companies and their organizations expect the cooperation of members of the National association in the future, it is time that arbitrary methods of dealing with agents gave way to a more reasonable system. It is difficult to say how long under such treatment the temper of the agents will remain at the even point that insures their cooperation. One must marvel at the spirit and service of the better agents who have refused to be disheartened by soul-trying experiences.

Reciprocity Must Be What Word Indicates

As an organization devoted to the promotion of good and opposition to bad practices in the business, it is logical for us to support company organizations devoted to the same ends. By the cooperation of our members they have been made possible. But there is grave danger if these organizations become so powerful that they summarily

reduce the commissions of agents. We are confronted with a challenge to our wisdom in permitting these pools to continue under these conditions. Agents are always asked to lend their aid in establishing these organizations, and response is not lacking to any appeal looking to public service. It is hard to make the doctrine of reciprocity a one way rule. If company organizations expect the continued support of organized agents in upholding their solidarity, then it must be remembered that the principle of *quid pro quo* applies.

It appears that a wretched situation in West Virginia is in process of settlement, perhaps not to the entire satisfaction of companies and agents but at least to an extent that permits the business to continue without the disadvantages under which it has been laboring for some months. The settlement of this commission-separation issue means that it will not be necessary for the attorney-general of the state to prosecute a suit which he has brought restraining companies and agents from making effective a contract which the companies last December tried unsuccessfully to force upon the agents.

It is unfortunate that this adjustment was not made through the principle of conference and cooperation before state intervention. The threat of an arbitrary commission reduction contained in the original, now famous, green contract brought the state authority into the controversy, and resulted in much undesirable, distorted, sensational publicity.

Agents Accomplish Much in Casualty Business

Passing from fire insurance, we find in the casualty business another accomplishment which must be chalked up to the credit of organized agents. For some time they have been bringing the attention of the companies to the necessities of small compensation risks. The result of this has been a readjustment in methods of rate making, in which the mutuals participate, whereby the stock companies are no longer penalized in favor of the mutuals through having to accept the small unprofitable risks while the larger ones go to the mutuals.

This action was important and necessary. It is a grave danger for insurance companies to refuse to write such business as small compensation risks. Employers are required to carry the cover. Their opinion of insurance, had it longer refused this protection, and the possible effects of their unrest, are better left to the imagination, now that provision has been made for them.

Conference-Cooperation Stock Takes Upward Jump

The stock of our principle of conference and cooperation in the settlement of company-agency disputes has taken a great jump upward. It was finally utilized by the companies and the agents in West Virginia. It was used in connection with the small compensation risks, with rebating in the bonding business, and with many other questions too numerous to mention here. Again it has been proven that if both sides of a controversy enter into discussion with fairness and justice in mind, as well as the public interest which is paramount to that of either of the other groups, a set-

tlement of practically any difference may be reached.

Of late months one issue which threatened and still threatens insurance has not been receiving so much attention and publicity. That is the effort of the Bank of Italy to apply branch banking methods to the plan of distributing insurance. For the first time, a powerful financial institution has asserted its intention of engaging in insurance through hundreds of its branches and with control of banks in other sections of the country through a holding corporation. This is the bank which threatened, some eight or nine years ago, to compete with insurance agents, leading to the first statement of position by the National association on bank agencies.

California Association's Campaign Not Ended

The present campaign of the California association against the Bank of Italy's insurance activity has by no means been abandoned, even though the bank has purchased an insurance company. The end is not yet in sight; neither is victory. But we believe that the California agents will establish the righteousness of their contention.

This leads us once again to call attention to the manner in which the companies that have subscribed to the conference agreement are upholding the pledge they made with respect to the second principle thereof. Many financial appointments have been cancelled by companies which refuse to be swayed by considerations of premium income in comparison with the good of the business to which they pledged themselves when they accepted the agreement.

Two bulwarks upon which an efficient agency system rests are the resident agency and agency qualification laws. This matter was covered in one report last year, that of the secretary who pointed out the absence of these laws from a suggested code of insurance drafted by a committee of the American Bar Association. The protest was carried by him on to the very floor of the Bar Association convention last year.

This code has been referred to the National Convention of Insurance Commissioners. It, in turn, has appointed a committee on the matter and, as late as July 21 this year, the secretary addressed a letter to the chairman of that committee, pointing out the necessity of including such laws in any insurance code. We look to the commissioners, who are now considering both resident agency and qualification laws, for favorable action.

Local State Bodies Are Gaining Strength

Our local boards and state associations are gaining in strength and influence. The number of local boards has been largely augmented by new organizations during the year. This splendid efficiency we welcome under our five-year development program. There is a great field for them. They are the instrumentalities through which our enlarged program will be mainly carried out. It is for them in their own localities to give attention to the public relations of insurance, to see that our

1416 First National
Bank Building

ESTABLISHED 1877



CINCINNATI,
OHIO

ALBERT W. SHELL & CO.

Engineering Service Rendered on Brokerage Accounts

**WALTER P.
DOLLE & CO. Inc.**



*"Insures anything
Insurable"*

DIXIE TERMINAL BLDG.
CINCINNATI

*The Midland Insurance
Agency Company*

1004 FIRST NATIONAL BANK BLDG.
CINCINNATI, O.

E. W. Watson, Mgr.

Phone Main 452-453

**The
SHIPLEY**
Insurance Agency
Company

*Everything in
Insurance*

603 First National Bank Bldg.
Cincinnati, Ohio

PHONE MAIN 151

**The Cincinnati
Underwriters
Agency Co.**

General Insurance

22 Garfield Place
Cincinnati, Ohio

Home Office Local Agency of
Eureka Security Fire & Marine
Insurance Company

General Agents for
Independence Indemnity Co.

CINCINNATI

Agents are boosters. The men of "the Queen City of the West" have been actively supporting the National Association for years. They extend to all its members their greeting.

But further Cincinnati Agents are boosting Cincinnati. Then want to tell you about this most Southern Northern and most Northern Southern City. The next time that you are in that vicinity you are invited to drop in on any one of them. Some real Southern Hospitality awaits you. You'll like Cincinnati.

MURPHY & ZOLLER
INSURANCE

Engineers—Counselors—Underwriters

FIRST NATIONAL BANK BLDG.
CINCINNATI, O.

A. L. Clemons
President
C. W. Clemons
Vice-President

L. M. Honeyman
Secretary
E. A. Kammerer
Treasurer

**Clemons
Insurance
Agency**
INCORPORATED

1212-1215 First Nat'l Bank Bldg.
Cincinnati, Ohio

PHONE MAIN 731

*Brokerage Business always
cheerfully handled by
our Agency.*

THE EDWARD A. WINTER COMPANY
Insurance

Representing strong Companies, writing all classes of insurance,
catering to Brokers and Agents

1204 FIRST NATIONAL BANK BUILDING - - - - - CINCINNATI

J. R. GARDNER, Pres.

The Merchants Fire Ins. Co. of Denver, Colorado



*A Progressive and Reliable
Company. - We are proud
of the splendid class of
Agents who represent us
throughout our territory.*



**Established 1904
Entered in 27 States**

NOW PAST THE

Half Century

MARK

Onward and upward has been the course of the Millers National Insurance Company ever since its organization over fifty years ago.

It has been well said that men make companies. The Millers National Insurance Company is particularly fortunate in having exceptionally strong and capable men at the helm. These men are seasoned insurance executives who are thoroughly conversant with the problems of the business.

It is largely through their efforts that the company has attained its present position of high standing among insurance companies, has grown steadily and surely and is today a proven institution of enviable financial strength.

MILLERS NATIONAL INSURANCE COMPANY

M. A. REYNOLDS, President F. S. DANFORTH, Secretary

CHICAGO

members utilize fully the business building aids which the National association has developed for them and to take every other advantage given by organization to sell the public on the qualified service of the association member, in order to build a greater volume of business, written through our membership. The condition that assures the most effective accomplishment of all these ends is coextensive or 100 percent membership in state and National associations of all eligible local board members.

Space does not permit us to go into details regarding the work of these organizations; the question has been covered many times. It suffices to point out that local boards and state associations still have and can make for themselves splendid opportunities.

Public Owes Debt Of Gratitude

Well may the members feel proud of what they have accomplished through their association, and of the five-year development program which they have launched so auspiciously, with such remarkable initial success. We have at hand stronger means than ever of preserving unimpaired the American agency system and its service to insurance and the public.

Others in the business may take pleasure in this. Granted that the companies founded the system, they owe it a tremendous debt of gratitude. Through the efforts of agents they have been able to build themselves to their present magnificent proportions. Now agents propose to help the companies and themselves by an intense campaign to produce more premiums and public good will.

This report on the National association's year's work would be incomplete did we not mention the remarkable increase in the ranks of the associated agents. Who among the agents is not proud that our membership is greater than it ever has been in the 32 years of the organization's existence? We have today 11,025 members, compared with 9,391 a year ago, an increase of 1,634 or 17.4 percent. Whose thought is not stimulated by the vision of what this association is to be in the future? An association of insurance agents now at the highest point of strength, influence and power. An association of men who grasp all the needs of insurance in relation to its public function and strive to satisfy them. Not to profit, not to self-interest do they look, but to the well being of the business and the extension of its function. They would pursue no other end if they could. Comprising a trade association, their joint efforts are ever subject to the pitiless glare of publicity.

For more than a quarter century the spotlight has been trained on its successful effort to stamp out the objectionable and procure the desirable in insurance underwriting. Little wonder that we again must deplore the necessity of taking the association to the non-members instead of being occupied receiving them. There has been a marked trend in the latter direction and a considerable number of non-members have come to us, attracted—as we expected and predicted a year ago—by our business building aids for members only. These have proven to be the magnet that both drew the non-members and imbued them with a large initial spirit of appreciation for the association which helped them so long without their support. During the next four years we shall continue to strive for a greater membership, in order still further to increase our efficiency and influence.

Non-Members Are Invited to Join

All eligible non-members are invited to become affiliated with the National Association of Insurance Agents, state associations and local boards. We of-

fer them the splendid achievements of the past that have made it desirable, if not, indeed, possible for them to be in the insurance business today. Without the principles established through our organization, insurance agencies would not possess the value they do, if mayhap any value at all. We offer them the new advantages of business building aids which are available to members only. We offer them a civic standing in their local communities through the work of our Fire Prevention and Conservation Committee in co-operation with their local chambers of commerce. We offer them a business development program which, if faithfully followed, will lead to an ultimate, sure, monetary reward. We offer them the means of determining and maintaining office efficiency. We offer them the opportunity, through co-operative thought, to approach newspaper men, business men and others with the story of insurance; thus the sale of insurance will be facilitated.

Numerous avenues of new activity and more intense effort are opening up and will continue to appear as the National association goes along. It is really a glorious vision for the members, but much depends upon each individual one. In fact he may well be holding in the balance of his palm the future of his own agency and, in a measure, that of the policy-writing agency system. If he responds to his duty regret will not be his portion. We know that our members will rally to their common welfare, and we want them to do so now.

More Work That's Done, More There Is to Do.

This review of the year's work shows how greatly the activities of organized agents have expanded. More and more demands are being made upon the National association, and many more things are clamoring to be done. Our facilities, therefore, must be enlarged as we go along. The result is reflected in our financial report for this year, which shows greater expenditures, but which by careful economies have been kept from mounting higher. For some time it has been apparent that it would be necessary for the state associations to contribute more to the National association to permit it to do its work unimpeded by financial worries. Your officers have been reluctant to take the necessary step. Now, however, it does not appear that we can longer postpone the time when we shall have to ask the state associations to pay a higher base rate for each member carried by the National association. We would urge consideration of this question by the incoming executive committee.

The National Association of Insurance Agents has just closed what was probably the most active year of work since its organization; it stands today a larger, better, more respected and more influential association than at any period in its 32 years' history as a stabilizing influence in the business of insurance.

This is no idle boast. The condition is shown by the record, admitted by many and can be demonstrated easily to all open, fair-minded men. This report is essentially an exposition, to help our members realize how great is the power that now lies in their hands for the development of insurance and its proper distribution, greater at present than ever before, under the five-year development program. Its success will eliminate many of the difficulties that have burdened us in the past. Therefore we purposely emphasize that program in this message. No better reason for doing this can be found than the continued preservation unimpaired of the true American agency system, the development of a greater volume of business written through our members; the opening up of new fields to all insurance and the better service of the American insuring public.

THE WARE AGENCY

327-329 Palace Bldg.

Minneapolis, Minn.

FIRE—AUTOMOBILE—CASUALTY LINES

We Invite Inquiries on Specialty Lines, Including Jewelers', Salesmen's Samples, Tourists' Floater, Personal Jewelry, Personal Furs, Radium, Musical Instruments, Paintings, Live Stock. Liberal Floater Forms—Lowest Rates.

F. H. Wagner Agency

INSURANCE

529-534 Plymouth Building
Minneapolis, Minn.

Nothing but Insurance

MINNEAPOLIS

Broadcasts

GREETINGS:

Ever since 1897, when the Minneapolis Underwriters Association was organized, the membership has stood firmly to those progressive principles of underwriting that promote a sound business for the agent and an established service to the insuring public.

After 29 years this Association is stronger than ever before, comprising 182 fire insurance agencies writing 90% of a total volume of over three million dollars annual premium production.

Proud to be associated with you, we extend our heartiest good will for a successful meeting.

Members of

THE NATIONAL ASSOCIATION OF INSURANCE AGENTS

in

MINNEAPOLIS

MEMBER

Minneapolis Underwriters Association
National Association of Insurance Agent

SERVICE

**H. C. BORHUS
INSURANCE AGENCY**

SECURITY

829-832 Plymouth Bldg.
Minneapolis Minn.

**Esterly-Hoppin
Company**

INSURORS

306-310 Plymouth Bldg.
MINNEAPOLIS

Members of all National, State
and Local Associations

**CHARLES W.
SEXTON CO.**

McKnight Bldg.

**INSURANCE
EXCLUSIVELY**

SINCE 1884

H. D. BRUGGER CO.
INSURANCE—SURETY BONDS

1100 Baker Bldg.
Minneapolis, Minn.

DEPENDABLE PROTECTION

DAVID C. BELL INVESTMENT CO.
ESTABLISHED 1880

INSURORS

Insurance in all its Branches

REAL ESTATE, RENTALS, MORTGAGE LOANS

Frontenac Bldg., 501 Second Ave., S. Minneapolis, Minn.

Special Conference Arranged On Oil Commission Question

ON Wednesday afternoon a special conference was arranged between local agents interested in the oil business and H. M. Carmichael of Chicago, manager of the Oil Insurance Association. Local agents found that their commissions have been reduced on oil business from 15 to 10 percent and there has been much battling back and forth since then. The agents claim that the Oil Association had no right to order this reduction, as the contract as to compensation was between the agents and their individual companies. R. H. Siegfried, president of the Tulsa Fire & Casualty Insurance Agents Association, presided at the conference with Frank T. Priest of Wichita, Kan., as secretary.

Tells Conditions in the Oil Fields

Mr. Carmichael stated that the Oil Association started Nov. 1, 1918. A big part of the oil business was written then by unadmitted companies and Lloyds at 5 and 10 percent commission. The Oil Association started on the basis of 10 percent commission to the agents. All producers were paid this amount. Mr. Carmichael explained that the big brokers have the bulk of the large oil properties. Then the Oil

Association felt it could get the business that it desired through local agents and increased the commission to 15 percent to resident local agents. If an agent resided outside the state where the property was located, he was regarded as a broker and was paid 10 percent. In fact all brokers were put on the 10 percent basis. Where local agents split with the brokers the commissions were divided. The Oil Association of Texas was formed and some of the agents appealed to the big brokers offering to take 2 percent for handling the policies.

Brokers Opened Offices in Oklahoma

A number of brokers that had been getting 10 percent established local offices in Oklahoma, became agents and of course were entitled to 15 percent. Mr. Carmichael said that the Oil Association endeavored to get the business on a permanent, standardized and satisfactory basis. Some of the outside companies in the east became greedy for business. Policies were signed in New York covering properties in the southwest. Business was taken at lower rates. He said for the last three years the Oil Association had lost money on

its business. It tried to overcome the high loss ratio. It decreased rates on profitable classes and reduced commissions on refineries and tanks to 10 percent. Commissions on other classes have not been changed. Mr. Carmichael declared that the man who is hit the hardest is the broker. He established himself as a local agent in order to compete with local agents not only on oil lines but others. The Oil Association is paying 15 percent on field properties. Many agents, he said, realize the circumstances confronting the Oil Association. They appreciate that it had to take some action. They were willing to submit to reduced commissions in order to save the business.

Objection Was Made to the Notification

Considerable objection was made to the manner in which agents were notified of a cut in commission. This was done 30 days ahead of time by a statement made on the expiration notices. The agents claim that this was unfair and they should have been called into consultation. Mr. Carmichael replied by saying that the special agents of the association were instructed to visit the large oil producing agents and explain why it was necessary to reduce commissions. He further stated that he had talked with many agents during two years previous, pointing out why such action might be necessary. In spite of the decrease in rates, he said the business has increased in Oklahoma this year. He predicted that ultimately the agents will get more in commissions than they have in the past in the aggregate.

Many Owners Carry Their Own Insurance

He said that 50 percent of the owners of the oil business are self-insurers. One big oil company purchased an insurance company to carry its lines. The Oil Association has consistently refused to take reinsurance from this company or from any outside company. He declared that oil companies are endeavoring to reduce their operating cost in every possible way. They study their insurance charge critically. They object to the 15 percent acquisition cost. Mr. Carmichael frankly stated that the Oil Association was confronted with a situation that forced it either to quit business entirely or to reduce commissions. He said that the field properties had proved profitable. The agents write much of this business direct with their companies, but the Oil Association has a considerable amount. If an agent does not represent an Oil Association company he is regarded as a broker and paid the regular brokerage. He said that an increase in rates had been made on unprofitable classes and a decrease on the profitable.

He declared that the loss ratio is higher on business coming from agents than brokers because the agents as a rule have the smaller refineries and they feel they cannot go to the expense of making improvements to reduce hazards. The brokers have the large risks and these have enough money to put in all modern improvements. Mr. Carmichael said that the association hopes to recover some of the properties now carrying their own insurance. He predicted that unless the association can extract a profit from the business on its present basis it will be compelled to disband. He said that it is securing a number of new lines particularly in Oklahoma.

Loss Ratio is Higher on Small Properties

He declared that the loss ratio is higher on business coming from agents than brokers because the agents as a rule have the smaller refineries and they feel they cannot go to the expense of making improvements to reduce hazards. The brokers have the large risks and these have enough money to put in all modern improvements. Mr. Carmichael said that the association hopes to recover some of the properties now carrying their own insurance. He predicted that unless the association can extract a profit from the business on its present basis it will be compelled to disband. He said that it is securing a number of new lines particularly in Oklahoma.

R. P. DeVan Comments on the Situation

R. P. DeVan of Charleston, W. Va., said he failed to see any consistency in the argument that the oil business is unprofitable and at the same time rates have been reduced. He objected to the abrupt way in which agents were informed of the reduction in commissions. He also brought up the right of the Oil

Ramsden Tells About Fight on Bank of Italy

Percy S. W. Ramsden of Oakland, Cal., secretary of the California association, spoke briefly on the fight that his organization made against the Bank of Italy and its effort to hitch up insurance with its operations. He said that while there is no publicity at present the association has felt it desirable to assume a conciliatory attitude hoping that a solution will be found that will be satisfactory. Unless this be the outcome the fight may be on stronger than ever. He said that the California association in attacking the Bank of Italy program has rendered a national service to insurance men.

Mr. Ramsden feels that the Bank of Italy may be convinced that the interests of the insuring public can be best served through regular agency channels. Early this year the Bank of Italy acquired the Pacific National Fire. Mr. Ramsden said that certain developments are pending which may indicate to bank interests that adherence to company operations is the proper course to pursue.

Vice-President Frank E. Sprague of the Union Indemnity of New Orleans, attended the West Baden convention. Mr. Sprague is in charge of the agency department. At the last annual meeting in his city he was one of the official hosts and did much to promote the welfare of delegates and guests attending that memorable gathering.

Association to bring about a change in commission so long as agency contracts are between agents and companies. He said that there is no agreement the agents have with the Oil Association. The companies have ordered the agents to place their oil business with the Oil Association. Mr. Carmichael declared that the Oil Association is a service or underwriting body. If the companies order a reduction in commissions it simply carries out the order. The companies, he said, feel that they had a perfect right to do this.

Siegfried Declared Movement Will Expand

Chairman Siegfried complimented the expert service rendered by the Oil Association. He declared, however, that the companies undoubtedly felt that the association had reached the point in efficiency where the business had to be placed through it and the local agents had to take their medicine, regardless of whether they desired to or not. He said the companies were forcing the agents to a point where they could not exist on a 10 percent basis. He predicted that this is merely a forerunner of similar reductions in other lines. The agents, he said, expect the companies to live up to their contractual obligations and if they fail to do so, then allegiance must be given to those that do respect these pledges. He intimated that the time had arrived when the National Association of Insurance Agents must take up the cudgels on this oil issue, for unless it does, he said, the agents will wake up to find that gradually the companies through this syndicate form of operation will cut down commissions in many directions.

Carmichael Subjected to Grueling Examination

Mr. Siegfried declared that the Oil Association in its personnel and service equipment is second to none. It has functioned most successfully. Mr. Carmichael, it can be said, made a very fair and frank statement under rather embarrassing conditions. Mr. Siegfried had a number of questions written out and he subjected Mr. Carmichael to a grueling examination. Mr. Carmichael kept his temper and interjected once in a while a bit of good feeling which kept the controversy above the level of abuse.

Built on the Approbation of Agents

The steady progress of this Company has been due in no small part to the loyal co-operation of a country wide force of agents many of whom have represented it since its inception over twenty years ago.

The Company takes great pride in the large number of agents who have continued to represent it over long periods of years.

An Agents' Company understanding the Agents' problems and enjoying the approbation of Agents.

MASSACHUSETTS BONDING and INSURANCE COMPANY

T. J. FALVEY, President

Home Office: BOSTON

Surplus to Policyholders \$9,177,482.61
(June 30, 1928)

Fidelity and Surety Bonds
Casualty Insurance

Established 1895

The HELLER-BUNDENTHAL COMPANY
GENERAL INSURANCE

511-515 Reibold Bldg.

Dayton, Ohio

Need for Insurance Education

(CONTINUED FROM PAGE 22)

to the whole business as models. But generally speaking the attitude and conduct of the claims departments in their public contacts are bad.

Public Thinks Policy Is Compromise, Not Justice

Because an adjuster is frequently confronted with a fraudulent claim, he too often conducts himself as if he believed all claims were fraudulent until proved otherwise. And almost always in its contact with this department, the public is impressed with the idea that the end is not justice but compromise. Too often the man whose claim is wholly just and entirely fair, is asked and induced or forced to take something less than simple justice dictates, because it is always argued that there are two sides to a story. On the other hand, he knows out of his own experience and that of his friends that very often a claim which is palpably unreasonable and unjust if not fraudulent is settled for some fraction of what is asked because that seems the cheapest and the easiest way out.

This is not to charge that the average insurance company, or any successful and reputable insurance company, is deliberately dishonest. It is simply to say that the methods and policies of too many claims departments seem to me to have been such that they do not inspire public confidence, but on the contrary give the public the impression that compromise rather than simple justice is the

rule; that frauds are not sufficiently resisted nor sufficiently punished; that the claimant is generally under suspicion and is called upon in self-defense to ask for more than he expects to get if he is to get what is due him.

Suggests Justice Only Be Made Test of Policy

A better public policy, then, would seem to be, first, to make sure that in a greater degree than heretofore, simple justice is the one test of liability in the settlement of claims; that fair and honest claims are paid to the full extent of liability; that fraudulent claims are completely rejected and those perpetrating them are vigorously prosecuted without exception; and that the only losses suffered by companies and effective in the determination of insurance rates are the losses which are not rejected by such a code of ethics. Second, to use every legitimate and economical avenue of publicity to convince the public that such standards prevail and are adhered to. Third, to explain insurance to the public and give the salesman a chance to talk to prospects who know what they are buying and why they are buying it. Fourth, to create a public interest and a public concern for the welfare of the insurance business as a whole, and one's own insurance company in particular, just as the railroads and utilities are creating such a concern and such an interest on the part of the public.

Compensation Rates Analyzed

(CONTINUED FROM PAGE 16)

the number of policies issued. On this basis it was determined that \$3 represented the minimum audit cost.

Under the old system a \$20 premium risk produced \$1.90 for these services. The proposed remedy consists of a reapportionment of expenses whereby both large and small risks will be charged their rightful share of the expense burden. A \$10 fee is necessary in order to net \$8 after commissions and taxes have been paid.

Revision of Minimum Premium Necessary

The third feature of the program calls for a revision of minimum premiums. It is hardly practicable or indeed reasonable to issue a policy covering only a fraction of what might be considered a minimum unit of exposure. The minimum premium formula under the old system set up a payroll of \$1,000 as representative of the annual remuneration of one employe working full time. This figure is no longer adequate in the light of present wage levels. The available evidence indicates that today that payroll figure should be \$1,500, so it is proposed that the new minimum premium formula be 15 times the rate instead of 10 times, as heretofore.

The fourth element of the new program affects the experience rating plan. Under this plan, previously, changes in an individual risk's experience were not adequately reflected in the premium rates until long after those changes had been made. For example, a risk could have developed a poor experience during the first three years of its experience history only to change about completely in regard to its safety practices and thereby improve its experience in the last year or two. Under the previous system of giving equal weight to the experience of each year in the experience period, such an assured could not get early recognition of the improvements which he had been able to make in his plant. On the other hand, a risk might have developed a good

experience in its earlier years only to turn bad in the last year because of carelessness and the general neglect of safe practices. In this case the risk's favorable rate would continue unduly.

New Program Applies Weights Correctly

The new program contemplates the use of a weighted experience rating plan whereby the least weight is assigned to a risk's oldest experience and the greatest weight is assigned to its most recent experience. Under this plan more prompt rate recognition will be given those assureds who have earned it, and on the other hand, penalties will be more promptly imposed on those assureds who need to be reminded of their carelessness.

This is the stock company program. Part or all of it is in effect in many states, and in some it is still pending.

Much remains to be done with the loss constant element of the program. Application of this feature of the program has been delayed pending an analysis of loss ratios by size of risk in all states throughout the country. This line of research was originated by the stock companies for a few states and the results obtained justified the conclusion already referred to, that small risks were worse than large ones from the loss standpoint. The National Council on Compensation Insurance is carrying on that investigation and is now engaged in analyzing the experience in those states for which it makes or recommends rates.

William B. Calhoun, large, massive and corpulent, the song leader of the convention and chairman of the finance committee of the National association, accompanied by his convention partner, W. T. Greene, slim, wasp-like and wiry, was on the scene early taking advantage of the golf course. In one match Mr. Calhoun and Mr. Greene changed their golf costumes for the edification of many onlookers.

AGENTS AGREE

"Agents agree that an organization, strongly backed and equipped with all the facilities that a local agency needs, is the type of company they want. We have every reason to believe our service is proving entirely satisfactory and agents are finding it profitable to have one of these companies in their agency."

Northwestern Fire & Marine Insurance Company

of Minneapolis, Minn.

Home Office:

Minneapolis, Minnesota

John H. Griffin, President

Federal Insurance Company of New Jersey

Western Department

Minneapolis, Minnesota

John H. Griffin, General Agent

MEMO.
Write these companies
before making another
connection.

Earl E. Fisk Presents Public Relations Reports

Earl E. Fisk, Green Bay, Wis., chairman of the committee on public relations and education, presented an interesting report on the work of his committee in spreading insurance education among the public. He told how the state key men in the education campaign have been organized into an active, aggressive body which disseminate information through chambers of commerce, Kiwanis, Rotary and Lions clubs and through various other business and civic organizations and by way of established educational institutions. The active principle in the campaign is contact, no opportunity for which is overlooked by any man in the large committee. With reference to chamber of commerce work, the report said:

"There are 125 chambers of commerce operating insurance committees and more are in process of organization. Some of these have been established long enough to show results, and are doing splendid work. Among the best committees is the one organized by Joseph W. Stickney of Indianapolis, former president of the Indiana asso-



EARL E. FISK, Green Bay, Wis.
Chairman Committee on Public Relations
and Education

ciation and for many years prominent in state and National association affairs. Mr. Stickney is chairman of the Indianapolis chamber of commerce insurance committee, and his committee is closely following the outline made by our organization.

Harrington Is Active in Atlanta

"W. E. Harrington, our president, has followed much the same system in his City of Atlanta and is one of the best examples of what a good key man can do.

"Another example of good work of insurance committees is John W. Burwell, secretary of the Pennsylvania Association of Insurance Agents, who has organized an insurance committee in the Scranton chamber of commerce and is also chairman of the Pennsylvania chamber of commerce insurance committee.

"The chairman of the Kansas City chamber of commerce insurance committee is Cliff C. Jones, past president of the National association."

Schools and Colleges Are Willing to Help

The report said there are many schools and colleges that are not in position to install full insurance courses but which are glad to include lectures on insurance subjects as part of their business training work. The committee on public relations and education is prepared to give all possible assistance to such educational institutions and

Talks on Business Development at Thursday Forenoon Session

THURSDAY forenoon session was largely given over to a series of talks by members dealing with the theme of the convention "Business Development". President Harrington called on two men who were not scheduled, Fred R. Smith, president of the Massachusetts association, who told about the developments of the Massachusetts compulsory automobile issue and Percy S. W. Ramsden, secretary of the California association, who spoke on the situation regarding the Bank of Italy engaging in the insurance business through its several connections.

There was one set address, it being by Harry C. Spillman of Buffalo, manager department of education, Remington Typewriter Company. Mr. Spillman has been heard before at insurance gatherings. He is one of the most popular inspirational business speakers of the day. He always makes a fine impression on his audience. He gives an address of a composite nature, humorous, philosophical, spiritual and inspirational.

De Van Presided Over Part of the Session

R. P. DeVan presided during the "Business Development" part of the program. George A. Caldwell of Knoxville, president of the Tennessee association, one of the forward looking, vigorous younger officials, gave some excellent suggestions as to means of educating those in the business in a practical way.

E. M. Sparlin of Rochester, N. Y., chairman of the membership committee of the National association, spoke on the plan of the national body to increase its members. New Hampshire increased its membership from 101 to 230, it therefore showing 110.8 percent increase. It thus wins the "President's Cup" which is annually given for the largest percentage of increase. New Jersey came next with an increase of 96.8 percent. New York still maintains the leadership as the largest association, it having 910 members. Ohio is next with 805 and New Jersey third with 679.

Varney Told How the Record Was Made

C. W. Varney of Rochester, N. H., president of the New Hampshire association, told the methods that were pursued in that state in bringing about the

stands ready to provide speakers for any of them.

"Our program," the report said, "at present is still in an embryonic state, but we have received offers of help from the National Board, the insurance department of the United States Chamber of Commerce, the Insurance Institute of America, the committee on publicity and education of the Western Union and similar organizations."

Printed Guide Is Being Prepared

In order that key men may more thoroughly understand the National association's plan, Walter H. Bennett, secretary of the association, and Mr. Fisk will collaborate in preparing a booklet which will definitely outline the work key men are to do. The booklet will contain specific information under the following headings: "General duties and activities for key men; use of local newspapers; sample addresses to be used on various occasions; outline of the committee program for local chambers of commerce, with schedule of activities for their use; plan of activities to be used in connection with civic organizations; use of the radio; activities with other trade associations; outline of the National association's insurance educational plans for schools and colleges."

large increase. There happened to be two men from Knoxville speaking on this part of the program. Henry G. McMillan, former Tennessee president, gave some valuable ideas on agency advertising, suggesting some courses that might be pursued to advantage.

Earl E. Fisk of Green Bay, Wis., chairman of the public relations committee of the National association who has accomplished so much through his committee detailed some of the accomplishments during the year.

Gandy Hit Some of the High "C's" Calmly

Charles L. Gandy of Birmingham, president of the Alabama association and member of the National executive committee, presented some thoughts on the membership plan of making local board membership coextensive with state membership. The time was too short for Mr. Gandy to fully blossom into a variegated flower garden as frequently he does in his public appearances. Even with the stop watch held on him he was able to tell a few good yarns. He had consulted the dictionary and at the close of his address he threw out about two dozen words, each beginning with "C".

The last speaker was George D. Markham of St. Louis, former National president and greatly beloved, who had come from his summer home in New Hampshire to perform his act and then return to New England following the convention. Mr. Markham is the one outstanding man of the body who in season and out glorifies the responsibility of a sole agent.

Exhibit of Advertising Material Presented

H. G. McMillan, of Knoxville, whose agency uses various advertising mediums including calendars, street car cards, newspapers, advertising novelties and leaflets, brought an exhibit of the copy and material it has been using, which was entered in the advertising copy contest. Mr. McMillan urged agents with whom he talked to bring exhibits next year, suggesting that this feature of the annual conventions in the future be made more representative and consequently more educational and helpful.

Following Mr. McMillan's address, he was asked what percentage of an agency's income should be used for advertising. He said this would vary for different agencies and would be governed by the size of the agency, the character of the industries or other prospects the advertising is designed to reach and other factors.

Agency Advertising Is Good Business Practice

Agency advertising, its possibilities and its necessity for any local agent and for the entire business, was the subject of a short address by Henry G. McMillan of Maynard & McMillan, Knoxville, Tenn. He said in part:

"Newspaper and periodical advertising are the most effective and the most economical—effective because we accept as a fact that which we see in print, economical because it reaches the greatest number of people for the least possible cost.

"We should be grateful to our insurance companies that are now entering into a publicity campaign through the National Board. I hope local agents will appreciate their opportunity and supplement the companies' publicity with their own agency advertising.

"Agents have begun to see the latent possibilities for the development of business in printer's ink. It is hard to estimate the value advertising is going to be to insurance. It is going to increase

our premium income and raise the public esteem of our business.

Direct-by-Mail Also Good Advertising Method

"Direct-by-mail advertising is splendid and should be used in supplementing newspaper advertising. Attractive folders are furnished by almost all of the companies. Billboards are effective and can be used to good effect by local agents. Novelties, such as rulers and pencils, are good. Stickers can be made to carry an effective message. We have had blotters with us for ages. Every business man appreciates a fresh blotter, and you will be a welcome caller with a good supply of these in your hand.

"The National association is furnishing copy, the National Board and a great many of the fire, casualty and surety companies are maintaining well organized advertising departments that will gladly assist you to plan your advertising campaign in whatever medium you desire to use.

Publicity Found to Be Economical Agency Builder

"There are large agencies in small towns and small agencies in large towns. Some form of advertising is the answer



HENRY G. McMILLAN, Knoxville, Tenn.

to the reason why. You may live in a small community where you have only a weekly paper. You possibly think you know every worth-while person in the county. You probably do, but you can not visit them each week, nor can you see all of them within a year. But you can take your message of service to them every week in the year through your weekly paper.

"In failing to use advertising you fail to earn the best returns possible for your effort. Advertising helps you to hold the business you have on your books.

"One of the biggest reasons for our business being tacked on as a sideline to all manners of other business is our failure to advertise. Modern business has no more chance of success without advertising than a farmer has of succeeding without fertilizing his soil. We must advertise our business if we ever expect it to amount to much. The collective force of advertising gets more prestige for the business as a whole, and each agent thereby reaps a greater harvest."

The flag that was presented to the National association at the New Orleans meeting last year by the local agents of that city, stood conspicuously in the lobby of the hotel at West Baden. John X. Wegmann of New Orleans and Frank E. Sprague, vice-president of the Union Indemnity of that city, were present to see the prominent place that the flag held. At New Orleans Mr. Wegmann made the presentation address.

Association President Reviews Massachusetts Compulsory Law

FRED R. SMITH, president Massachusetts Association of Insurance Agents, was asked to review the present compulsory automobile insurance situation in his state, following the announcement that former Commissioner Monk would promulgate rates in Boston and eastern Massachusetts for next year that were higher than this year because of the high loss ratio. After telling about the act Mr. Smith said:

Owners Felt Rates Should Be Increased

"It think it was generally conceded by motor vehicle owners throughout Massachusetts that rates should be increased. However, some other factors had not been taken into consideration. Immediately the commissioner of insurance became the object of most unjust criticism at the hands of the chief executive of our state, as well as from other prominent officials.

"In the discussions following, it appears that Commissioner Monk had considered, in making the new rules, an item of \$6,000,000 which represented unpaid claims and must therefore be set up by law as a reserve to meet such claims. Tremendous pressure was brought to bear upon Mr. Monk by the chief executive, who questioned the reserve set up by the insurance companies. He suggested to the commissioner that he might reduce the value of the outstanding claims by using an assumed percentage factor of at least 25%. Mr. Monk steadfastly maintained that the new schedule was a fair one, justified by experience, and that he proposed to promulgate the new rates on Sept. 1.

Revelations Show the Compulsory Act a Failure

"The revelations of the past few weeks have demonstrated beyond a doubt that the compulsory automobile act of Massachusetts is a failure. When a state official of the caliber of Wesley E. Monk, whose sworn duty it is to maintain the financial soundness and integrity of insurance institutions doing business in the commonwealth, finds it necessary because of political expedience to do that which jeopardizes the very existence of those institutions and destroys the protection supposed to be afforded the public, a most deplorable and disastrous situation is created.

Evils Contemplated Brought to Surface

"When able, intelligent, honest public officials are so menaced in the performance of their duties that they feel the necessity of resigning and abandon-

ing their responsibilities to the mercy of politicians and office seekers, there is no longer any incentive or pride for honest men to seek public office.

"The compulsory automobile liability security act was adopted in Massachusetts against the judgment and advice of many of the best insurance minds. The evils which were contemplated have been disclosed.

"Unjust criticism has been heaped upon innocent insurance companies. Ignorance and stubborn insistence and unsound principles have combined to prove that compulsory automobile insurance in Massachusetts can be viewed only in the light of a disastrous experiment. Those who have to do with legislation in other states will do well to study the facts carefully to the end that a similar situation may not be developed elsewhere."

Fire Prevention Report

At the opening of Thursday afternoon's session E. J. Cole of Fall River, Mass., chairman of the fire prevention and conservation committee, gave some of the outstanding developments of the year and suggested lines of procedure for the future. On exhibition in the hall was a series of fire prevention posters made by pupils in the Shawnee, Okla., high school, which were most artistically done and carried a graphic lesson. These posters were made at the instigation of the local board there.

Two Golf Tournaments

There were two golf tournaments, one Wednesday afternoon when there was no session of the convention and the other Friday afternoon, the convention having adjourned at noon. These tournaments were played on the West Baden course. There were no mixed foursomes. In other words, local agents played alone with their class. President Harrington stated that the reason for this was that heretofore when the local agents played with the special agents the latter got all the money.

The executive committee of the National Association of Insurance Agents expressed its approval and cooperation with the Pennsylvania association in dealing with school boards taking out mutual insurance brought out in the recent Erie, Pa., controversy.

James W. Henry of Pittsburgh and Charles H. Burras of Chicago were present to represent the National Association of Casualty and Surety Agents.

Business Development Vital to Growth of Agency System

By R. P. DE VAN
Chairman Executive Committee

MORE opportunities are being offered the local agent today to enlarge his business through various new and undeveloped lines of insurance. His failure properly to post himself on these new developments and to take advantage of the opportunity to educate himself will mean a serious disadvantage to him.

The National association cannot stand still. The easiest way is to stand by complacently, secure in the knowledge that our association has reached a position and attained a prestige undreamed of by that little group of men who founded it 33 years ago. But as surely as we do, we will be pulled backward by the force of our lethargy.

We cannot rest on past performance. This year has brought marvelous changes in the world of business. The American agency system is a leading factor in today's business because it has been found to be the best method obtainable for retailing insurance. Will it continue to be the best? If it fail, then we have no ground for complaint if the branch office and the specialty salesman take our business away from us.

What you and I need above all else in our business is to be genuine salesmen. We are not selling a stock of goods. We are selling a contract, indemnity, protection. Call ours a business or a profession, it matters not. But it does matter whether we know our lines.

Airplane Insurance Is Big New Line

Typical of the new lines opening up in our business is airplane insurance. It is difficult for us to realize the importance the airplane has assumed commercially, or to see its future. But it is nothing unusual for one or two or a dozen planes to fly over our heads any day.

The airplane is with us, its use is growing daily, and it is going to be insured. Are we going to do it, or are we going to sleep over this mine of premium income and force the companies to write it through specialty salesmen?

The day of the strictly fire insurance agency has passed, but as long as there is an agent left who considers casualty and surety as sidelines we shall not have developed this important business as it deserves.

It is perhaps useless for me to mention advertising as a developer of business. We learned that along with our

business A, B, C's. Our business is interknit so closely with the other major businesses of the day that it is necessary we should have a reasonable knowledge of economics, commerce, finance, all of the other major businesses.

I have touched only some of the high spots in this program. If this convention means anything to you, if you go away from it with confidence that the National association is on the right track in undertaking to increase the knowledge and develop the business of all of us, you have a talking point with the non-member agent such as you have never had before.

J. Heber Hudson Speaks

J. Heber Hudson of Chicago, director of the mercantile affairs department of the Illinois Chamber of Commerce, made a humorous address at the get-together dinner on "Make Hay While the Sun Shines." Mr. Hudson is known throughout the state as the speaker who mixes the serious with the ridiculous, inserting enough of the serious in all his talks to carry a large load of fun.

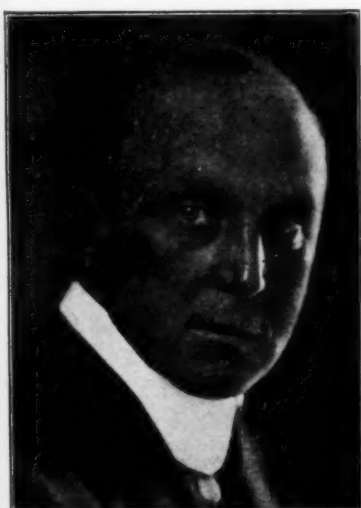
"Vanishing Speakers" on Program

"I don't know whether or not it's a three-ball game I'm working this morning, every time I introduce a speaker and reach for him he is gone," President Harrington exclaimed after having introduced three speakers at the Thursday morning session, only to find they were not present.

Western Fire Represented

The following representatives of the Western Fire of Fort Scott, Kan., were present at the convention: Vice-President Will J. Beggs, Assistant Secretary L. A. Connie, Roy A. Owens of Lexington, Ky., Indiana and Kentucky state agent; Yates Harris of Indianapolis, state agent automobile department in Indiana.

F. W. Fiske of Buffalo, N. Y., attracted much attention in the hotel lobby and dining room because he resembles in appearance Governor Smith of New York. Some of the waiters circulated the report that Governor Smith was at the hotel and it created much commotion.



CHARLES H. BURRAS, Chicago
President Casualty Association



W. B. CALHOUN, Milwaukee
Chairman Finance Committee



MAJ. C. R. MORGAN
President Charleston, W. Va., Board



HERBERT L. BARR
Indianapolis

Good Official Lineup Selected

(CONTINUED FROM PAGE 10)

of the abilities and availability of the nominees whom we present and those gentlemen who have served in the past that we urge this suggestion. We strongly believe that it will make the work of the convention's nominating committee easier of accomplishment and more representative of the desire of the states comprising each individual territorial grouping, as well as resulting in a careful selection of those officers, who constitute a most valuable point of contact."

When James L. Case of Norwich, Conn., leaps to the platform something intensely dramatic can be expected. On Friday morning he stated that he desired to initiate the retiring president, W. E. Harrington, into the fraternity of ex-presidents. He asked Secretary Ben-

nett to put his hands over a box on the platform and as Mr. Case waved his hand over the box a set of silver came forth, which was presented to Mr. and Mrs. Harrington, the latter having been called to the platform. Mr. Case turned to spotlight on the two. After Mr. Harrington had kissed his wife, she immediately turned to Mr. DeVan, who stood at her left, and planted a rich rosy kiss on the lips of the new president. Immediately Mr. Case sought Mrs. Harrington and she performed in a like manner



P. J. CLANCY, Des Moines
Chairman Casualty & Surety Committee

with him. Noting Mr. Bennett, she started after him. Being rather diffident and shy, he seemed to be trying to escape, but recovering his composure he returned to the platform and Mrs. Harrington completed the kissing part of the ceremony. In responding Mr. Harrington paid a high tribute to the work of Mr. Bennett and his great contribution to the organization. He also took occasion to speak in the highest terms of Mr. DeVan and his unselfish service. The entire audience arose and gave an ovation to both these men.

J. W. Cook of Providence, R. I., stated that the New England committee has agreed it would be advisable to call a meeting of the six district committees comprising the New England association as soon as possible to approve the action of the executive committee in urging all agents to fall in line on the standardized membership plan of representing no companies in violation of the conference agreement.

Clifford A. Payne of Jacksonville, Fla., presented three resolutions, one expressing appreciation of the Louisville Board

for its service in providing means for Assistant Secretary of Commerce MacCracken to fly from Louisville to West Baden to keep his appointment as a speaker. The second thanked the Indiana association for its contribution to the program and the third expressed appreciation to the national administration for the program that had been presented. Mr. Payne in closing said that the University of Florida has recently inaugurated an insurance course. J. A. Giberson of Alton, Ill., moved that a telegram of greetings be sent to the Hawaiian Board, which has a 100 percent membership.

W. W. Ellis of the National Board awarded the prizes in the advertising contest. He stated that the National Board has a press clipping service which shows that 1,166 agencies advertised in July, which is regarded as a very dull month. Last year he estimated that \$5,000,000 was spent in casualty and fire advertising. D. J. O'Keeffe of Fort Wayne presented the report of the resolutions committee and H. G. McMillan of Knoxville that of the nominating committee.

New President Pays Tribute to Associates

President Harrington asked past Presidents F. L. Gardner, George D. Markham, James L. Case and A. W. Neale to escort the new president, R. P. De Van, to the chair. Mr. Harrington stated that he would escort Mrs. De Van to the platform himself. As the past presidents circled about the new president, Mr. Harrington took his place in their midst. Mr. De Van paid a remarkable tribute to his associates and particularly to Mr. Harrington. Turning to Mrs. Harrington, he said that he had found no fault in her husband. Mr. De Van stated that he would not represent any company in violation of the National association principles, nor would he place a policy in any such company on any risk handled by his office. The past presidents escorted to the platform the new chairman of the executive committee, Clyde B. Smith of Lansing, Mich. Mrs. Smith was escorted to the platform and in line with the osculatory custom inaugurated by Mr. Harrington, Mr. Smith continued in fine form with respect to Mrs. Smith.

C. W. Varney, president of the New Hampshire association, accepted the President's Cup, given for largest percentage increase in membership. President James M. Newburger of the Illinois association accepted the Des Moines cup, awarded for attendance. He handed it over to President August Torpe of the Chicago Board as official custodian. President Thompson of the Birmingham, Ala., Fire & Casualty Exchange was introduced and extended an invitation for the mid-year meeting.

Secretary Bennett read the report of the casualty and surety committee in the absence of P. J. Clancy of Des Moines.

Los Angeles Is Ready

The Los Angeles Fire Insurance Exchange has invited the National Association of Insurance Agents to hold its convention there next year. The exchange seems to take it for granted that the invitation will be accepted, as it has appointed Matt T. Mancha and Sam Behrendt, who had charge of the convention arrangements there in 1921, to assume the obligation next year. San Antonio has also put in a bid for the convention.

Attendance Cup to Illinois

Illinois received the attendance cup, which is awarded each year to the state outside of the one in which the convention is held that has the largest attendance at the meeting. Illinois had 27



J. STEWART PEARCE, Tulsa, Okla.

present, Ohio 24, Kentucky 21 and Wisconsin 16. There were 77 registered from Indiana.

H. P. Stellwagen, secretary of the National Bureau of Casualty and Surety Underwriters, was the leading speaker at the last session. He is an authority on rate making and statistical compilation. Mr. Stellwagen is not the dry as dust actuary but has a most pleasing and magnetic personality. His manner of presenting his address holds the attention of his audience.

THE NATIONAL UNDERWRITER

Published Every Thursday by the
NATIONAL UNDERWRITER COMPANY,
P. O. Box 100, Chicago, Cincinnati and New York.
C. M. CARTWRIGHT, Managing Editor.

PUBLICATION OFFICE, Insurance Exchange, CHICAGO
Entered as Second-Class Matter, February 24, 1900, at Post Office at Chicago, Illinois,
Under Act of March 3, 1879.

Subscription Price \$4.00 a year; in Canada \$5.00 a year; Single Copies 20 Cents.

The Stuyvesant Insurance Co.

of NEW YORK

Assets	-	-	-	-	-	\$4,386,985
Surplus to Policyholders	-	-	-	-	-	2,169,607

The Industrial Fire Insurance Co.

of AKRON, OHIO

Assets	-	-	-	-	-	\$1,737,659
Surplus to Policyholders	-	-	-	-	-	968,055

J. S. FRELINGHUYSEN

111 WILLIAM STREET

GENERAL AGENT

NEW YORK

— AN ASSET TO ANY AGENCY —



Established 1782.

*A Corporation which has stood
the test of time! 146 years of
successful business operation.*

World-wide interests.

Absolute security.

Excellent Service and Facilities

PHOENIX
ASSURANCE COMPANY, Ltd.
of LONDON

150 WILLIAM STREET

NEW YORK

PHOENIX
INDEMNITY COMPANY
150 WILLIAM STREET

NEW YORK

AGENTS CONVENTION NUMBER

Globe & Rutgers Fire Insurance Company

111 William St., New York City

■ ■ ■ ■

JANUARY 1st, 1928

ASSETS

Bonds and Mortgages....\$	149,834.90
U. S. Liberty Bonds.....	519,200.00
Government, City, Rail- road and other Bonds and Stocks	67,965,477.50
Cash in Banks and Office.	3,052,132.11
Premiums in Course of Collection	8,309,190.10
Interest Accrued	143,939.12
Reinsurance Recoverable on Paid Losses.....	53,964.94
	<hr/>
	\$80,193,738.67

LIABILITIES

Capital	\$ 3,500,000.00
Surplus	29,514,599.03
Reinsurance Reserve	21,794,727.64
Losses in Course of Ad- justment	9,905,412.00
Commissions and Other Items	6,974,000.00
Reserve for Taxes and Depreciation	8,505,000.00
	<hr/>
	\$80,193,738.67

Surplus to Policy Holders . . . \$33,014,599.03

Losses settled and paid since organization over \$225,000,000

Losses settled and Paid 1927...\$21,409,822.82

ISSUES POLICIES AGAINST

Fire, Marine, Tornado, Earthquake, Flood, Hail, Explosion, Riot and Civil Commotion, Sprinkler Leakage, Inland Marine Transportation, Parcel Post, Automobile

Agents in Canada, Manila, Shanghai, London and Principal European Cities

E. C. Jameson, President

Lyman Candee, Vice-President

W. H. Paulison, Vice-President

J. H. Mulvehill, Vice-Pres. and Secy.

J. D. Lester, Vice-President

A. H. Witthohn, Secretary

A. G. Cassin, Secretary

J. L. Hahn, Assistant Secretary

M. J. Volkmann, Local Secretary

Progress Since Consolidation in 1899

	Assets	Reserves	Surplus
Dec. 31, 1899	\$529,282.59	\$28,832.54	\$2,028.94
Dec. 31, 1910	5,255,362.12	1,936,224.86	2,365,363.37
Dec. 31, 1920	42,765,374.55	16,593,764.16	11,361,311.89
Dec. 31, 1925	67,922,096.58	20,265,572.73	24,161,943.85
Dec. 31, 1927	80,193,738.67	21,794,727.64	29,514,599.03